

RENTAL DWELLING RULES

ELIGIBILITY

This section applies to:

- a. Rental dwellings
- b. Dwellings not eligible for coverage under owner occupied

DWELLING POLICY COVERAGE RELATIONSHIPS

Section I – Property Coverages

Dwelling Policy Coverage Relationships:

Coverage A – Dwelling	Amount of Insurance
Coverage B – Other Structures	10% of Coverage A
Coverage C – Personal Property	Amount of Insurance
Coverage D – Loss of Use	10 % of Coverage A

DESCRIPTION OF COVERAGE

Coverage A – Dwelling

Covers the dwelling on the described location used principally for dwelling purposes and attached structures.

Coverage B – Other Structures

Covers other structures on the described location separated from the dwelling by a clear space.

Coverage C – Personal Property

Covers personal property usual to the occupancy of a dwelling owned by the insured or family members residing with the insured.

Coverage D – Loss of Use

Covers the fair rental value if a loss to property described in coverages A, B or C by a peril insured against under the policy makes that part of the described location unfit for normal use.

RENTAL DWELLING RULES

PERILS INSURED AGAINST

Basic Perils and Broad Form Perils covers property described in Coverage A, B, C and D caused by a peril listed below unless loss is excluded in Section 1 – Exclusions.

Group 1 – Basic Perils

- a. Fire or Lightning
- b. Removal
- c. Windstorm or Hail
- d. Explosion
- e. Riot or civil Commotion
- f. Aircraft
- g. Vehicles
- h. Vandalism and Malicious Mischief
- i. Smoke

Group 2 – Broad Form Perils

- a. Theft
- b. Sudden and Accidental Tearing Apart of Heating Systems
- c. Freezing of Plumbing, Heating and Air Conditioning Systems.
- d. Falling Objects
- e. Weight of Ice, Snow or Sleet
- f. Collapse
- g. Breakage of Glass
- h. Sudden and Accidental Damage from Artificially Generated Electrical Current

Group 3 – Other Perils

Other Perils covers property described in Coverage A and B against other risks of physical loss, with certain exceptions.

RENTAL DWELLING UNDERWRITING GUIDELINES

Eligible List

Dwelling Policies – The insured may be:

- Owner/landlord of a 1-4 family dwelling rented to others.

RENTAL DWELLING RULES

CONSIDERATION LIST – Submit Non-Bound

The following risks may not be bound by the agent. Submit to Company for Underwriting approval.

- Premises with questionable unsafe characteristics.
- Premises with visible trash and debris that can be removed or cleaned up.
- Unfenced or inadequately fenced swimming pools.
- Vacant dwellings with future occupancy contemplated.
- Open pits or stone quarries on the insured locations.
- Horse stables and training operations
- Three losses in five years.
- Homes and/or outbuildings being remodeled or repaired or with unrepaired damage.
- Homes without continuous masonry foundation.
- Exposed Styrene or Urethane foam insulation.

PROHIBITED LIST – DO NOT SUBMIT

The following risks are **PROHIBITED**:

- Commercial risks.
- Insured's with vicious animals.
- Home Day Care Operations with 4 or more children.
- Rental dwellings containing more than 4 family units.
- More than 4 rental units for any one insured.
- Dwellings without central heating system or interior plumbing.
- Breeding, raising and selling of dogs on the premises.
- Insured's with known claim frequency (more than 3 losses in 5 years).
- Dwelling with wood burning stoves, solid fuel heating devices or fireplaces with heating inserts, unless dwelling is owner-occupied.
- Home heated primarily by wood burning appliance.
- Homes with more than 2 mortgagees.
- Rooming or Boarding houses.
- Property under bankruptcy proceedings.
- Vacant dwellings.

DESCRIPTION OF RENTAL DWELLING PROGRAMS/ELIGIBILITY

CLASS A RENTAL DWELLING

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1)	80% Replacement Cost (2)
Broad Form Perils (2)	Repair/Replace Replacement (2)
Other Perils (3)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$50,000	\$150,000

Eligibility Requirements:

- a. Dwelling of good construction and in excellent repair. Premises clean, free from weeds, and trash.
- b. Insured for at least 80% of Replacement cost. When a Replacement Settlement Clause is used, 60% of Replacement cost. Inflation Protector will apply.
- c. Insured for a minimum of 60% for actual cash value.
- d. One – four family residence.
- e. Dwellings constructed within the last 40 years or newer, with an approved roof, furnace, wiring and plumbing updated in past 22 years.
- f. 100 amp electrical service, circuit breaker system.
- g. An approved central heating unit, vented to an approved chimney.
- h. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- i. No wood burner permitted.
- j. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- k. Cost estimator and photographs (all sides) submitted with application.
- l. Premium submitted with application.
- m. \$500 deductible

DESCRIPTION OF RENTAL DWELLING PROGRAMS/ELIGIBILITY

CLASS B RENTAL DWELLING

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1)	80% Replacement Cost (2)
Broad Form Perils (2)	Repair Replacement (2)
Other Perils (3)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$35,000	\$75,000

Eligibility Requirements:

- a. Dwelling of good construction and in good repair. Premises clean, free from weeds, and trash.
- b. Insured for at least 80% of Replacement cost. When a Replacement Settlement Clause is used, 60% of Replacement cost. Inflation Protector will apply.
- c. Insured for a minimum of 45% for Actual Cash Value.
- d. One – four family residence.
- e. Approved electrical wiring of at least 100 amp service.
- f. An approved central heating unit, vented to an approved chimney.
- g. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- h. Continuous masonry or concrete foundation under all exterior walls, porches excepted.
- i. No wood burner permitted.
- j. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- k. Cost estimator and photographs (all sides) submitted with application.
- l. Premium submitted with application.
- m. \$500 deductible

DESCRIPTION OF RENTAL DWELLING PROGRAMS/ELIGIBILITY

CLASS C RENTAL DWELLING

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1) Broad Form Perils (2)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$20,000	\$50,000

Eligibility Requirements:

- a. Fully utilized and in good repair. Premises clean, free from weeds, and trash.
- b. Insured for a minimum of 35% for Actual Cash Value.
- c. One – four family residence.
- d. Approved heating system, vented to an approved chimney.
- e. Approved electrical wiring of at least 60 amp service.
- f. An approved central heating unit, vented to an approved chimney.
- g. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- h. Continuous masonry or concrete foundation under all exterior walls, porches excepted.
- i. No wood burner permitted.
- j. Available in fire protection class 1 through 9.
- k. Cost estimator and photographs (all sides) submitted with application.
- l. Premium submitted with application.
- m. \$500 deductible

DESCRIPTION OF RENTAL DWELLING PROGRAMS/ELIGIBILITY

CLASS D RENTAL DWELLING

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$5,000	\$50,000

Eligibility Requirements:

- a. Fully utilized and in good repair. Premises clean, free from weeds, and trash.
- b. Insured for a minimum of 35% for Actual Cash Value.
- c. Coverage D – Loss of Use – will not apply.
- d. One – four family residence.
- e. Approved heating system, vented to an approved chimney.
- f. Approved electrical wiring of at least 60 amp service.
- g. An approved central heating unit, vented to an approved chimney.
- h. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- i. Continuous masonry or concrete foundation under all exterior walls.
- j. Mobile homes are not eligible
- k. No wood burner permitted.
- l. Available in fire protection class 1 through 9.
- m. Cost estimator and photographs (all sides) submitted with application.
- n. Premium submitted with application.
- o. \$500 deductible

DESCRIPTION OF RENTAL DWELLING PROGRAMS/ELIGIBILITY

RATING PROCEDURE

Multiple Family Dwelling Unit:

The rates shown in this manual are for a 1 family dwelling. An additional charge will be made to the base premium for 2 – 4 family dwellings. See Page DW – R5

OPTIONAL COVERAGE: Section 1 – Property

Antennas, Outdoor Radio and Television Equipment

Provides coverage for antennas, outdoor radio and television equipment, owned by the insured.

Loss of Uses – Increased Limits

The policy automatically provides coverage equal to 10% of Coverage A. This maybe increased.

Refrigerated Products

Coverage for loss or damage to insured's contents (Coverage C) of a freezer or refrigerated unit on the insured location.

Premises Liability

Liability maybe provided for 1 – 4 family dwelling, up to a total of 10 rental units (4 family dwelling equals 4 rental units). An insured owning more than 10 rental units will need to obtain Commercial Liability Coverage.