



**PACIFIC SPECIALTY INSURANCE COMPANY
STATE OF CALIFORNIA**

**Underwriting Guide
Dwelling Fire Program**

Basic Dwelling Policy (DP-1)
Special Dwelling Policy (DP-3)

Edition 2

GENERAL RULES & UNDERWRITING GUIDELINES

1. POLICY FORM: DP-1, DP-3
2. APPLICATION/CONDITIONAL BINDING PROCEDURES
A Pacific Specialty Insurance Company ("PSIC") dwelling application must be fully completed and mailed to PSIC (or its representative). No coverage will be bound unless all of the following provisions are fully satisfied and approved by PSIC when the application is submitted:
 - *All underwriting rules are followed; and*
 - *A PSIC application (including any/all necessary disclosures) is fully completed and signed by both the applicant and producer; and*
 - *Required premium (or minimum required down payment) accompanies application; and*
 - *All of the above referenced items are mailed to PSIC (or its representative) within the following number of days from the requested effective date:*
 - *If premium paid in full, 15 days*
 - *If financing from PSIC is requested, 5 days*

Applications received in our office that are not postmarked within the required binding periods specified above, provided all binding procedures and underwriting criteria are satisfied and approved, will be made effective the date received in our office.
3. WOODSTOVES: If the dwelling has a woodstove, submit the application with a completed woodstove questionnaire.
4. ROUNDING RULE: All premiums must be rounded to the nearest whole dollar.
5. POLICY TERM: Annual policy terms only.
6. FLAT CANCELLATION: No Flat Cancellations if coverage has been provided.

UNACCEPTABLE RISKS

1. Dwellings valued over \$700,000.
2. Risks where a woodburning stove or fireplace is the primary source of heat or dwellings with kerosene heaters and woodstoves with heat reclaiming devices.
3. Condominium or Townhouses.
4. Corporate or Business owned dwelling or any dwelling titled in corporate or business name.
5. Mobile homes, trailer homes, modular homes, houseboats, portable buildings or any structure made of cloth or canvas.
6. Vacant or unoccupied dwellings or neighborhood with 3 or more vacant homes or burned out buildings or dwellings in an area being condemned due to condition.
7. Properties which are isolated or inaccessible to fire fighting equipment.
8. Apartment buildings (rental duplex, triplex or fourplex is acceptable).

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9. Properties in foreclosure, properties where tenants are behind in rent or where occupant in possession adverse to owner.
10. Dwellings where space is rented to others for commercial use or property with any type of business on the premises.
11. Risks with other insurance in force, except insurance which covers perils not insured by this dwelling policy.
12. Dwellings 90 years of age and older.
13. Dwellings without copper wiring or with any fuse(s) providing power to any portion of the dwelling.
14. Dwellings with galvanized pipe plumbing are acceptable for DP-1 only, unless non-copper plumbing surcharge is applied.
15. Dwelling with roofs over 25 years old and roofs in bad repair (regardless of age) are prohibited unless an endorsement limiting perils to fire and lightning only for roof and ensuing damage due to roof failure is included.
16. Barns of any kind valued over \$5,000.
17. Dwellings with Greenhouse(s).
18. Dwellings on piers or pilings.
19. Dwellings located in or near (within ¼ mile) brush fire or landslide areas.
20. Dwellings without utility services.
21. Dwellings without a solid or permanent foundation.
22. Dwellings located in forested area.
23. Dwellings that have more than two (2) mortgagees, or dwelling where mortgagee is an individual.
24. Dwellings not maintained in an insurable condition (must show pride of ownership) and/or dwellings located in neighborhoods that do not show pride of ownership including but not limited to neighborhoods with boarded up houses, condemned dwellings, graffiti, etc.
25. Any pool and/or spa without a fence and locked gate.
26. Above ground pools valued over \$2,500.
27. For dwellings with the following dogs present: Rottweilers, German Shepards, Pitbulls, Chows, Doberman Pinschers, Akitas, Bull Mastiffs, Stafford Shire Terriers or any dog known by breed to be vicious or any risk where previous dog bite history exists or a mixed breed which includes any of the above. Animal Liability is automatically excluded.
28. For dwellings where horse(s) are boarded for others or rented to others, Animal Liability is automatically excluded.

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29. For dwellings where horses are kept for dwelling owners/tenants for personal use, Animal Liability is automatically excluded.
30. Losses paid in excess of \$2,500 within the last twelve months, OR losses paid are in excess of \$5,000 within the last 24 months, OR there are three (3) or more claims within the last twelve months including earthquake coverage.
31. Risks with repetitive similar cause losses.
32. Risks with unrepaired damage (including earthquake damage) and/or open or pending claims, and/or known or potential (a) defects, (b) claim disputes, (c) property disputes, and/or (d) lawsuits.
33. No legal title to land upon which dwelling is located.
34. Risks where replacement cost of dwelling exceeds current market value.
35. Vacant Dwellings. To qualify as Owner-Occupied, dwelling must be occupied within 10 days of inception of coverage. To qualify as Tenant-Occupied, dwelling must be occupied or insured must provide copy of current rental or lease agreement.
36. Dwellings sharing common walls with other properties.
37. Dwellings with 4 or more named insureds where liability is desired in excess of \$25,000.
38. Trampolines are acceptable. Please note that coverage for trampolines is excluded for all dwellings by mandatory endorsement.
39. Swimming pools with diving boards or slide are acceptable. Please note that coverage for swimming pool slide(s) and/or diving board(s) is excluded for all risks by mandatory endorsement.
40. Dwellings that are not of sound structure.
41. Dwellings whose yards do not reflect upkeep.
42. Dwellings not maintained in an insurable condition (must show pride of ownership) and/or dwellings located in neighborhoods that do not show pride of ownership including but not limited to neighborhoods with boarded up houses, condemned dwellings, graffiti, etc.
43. No transient risks.
44. Dwellings undergoing extensive remodeling renovation or construction effecting habitability.
45. EARTHQUAKE Coverage – To qualify dwelling must be frame construction and bolted to full concrete foundation.

SUBMIT RISKS – DO NOT BIND

1. Risks with prior fire claims of any kind.

FEES

POLICY FEE: \$20.00 (Fully Earned)

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INSPECTION FEE: \$40.00 (Fully Earned)

MISCELLANEOUS

MINIMUM PREMIUM: \$35.00

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OPTIONAL COVERAGES

DIRECT BILL OPTION: Per installment fee: \$10.00

OPTIONAL DEDUCTIBLE: (DOES NOT CHANGE THE EARTHQUAKE DEDUCTIBLE)
 \$500 All perils, credit 10% off base premium (Full Time Owner Occupied Only)
 \$1,000 All perils, credit 15% off base premium
 \$2,500 All perils, credit 20% off base premium
 \$5,000 All perils, credit 25% off base premium

OTHER STRUCTURES, to increase or add per \$1,000 of value:
 Owner Occupied: \$3.30
 Tenant Occupied \$4.40

MULTI-FAMILY UNITS:
 Two Family Units: Surcharge base rate 10%
 3 & 4 Family Units: Surcharge base rate 20%

CONTENTS COVERAGE: Per \$1,000 of value (Not to exceed 50% of the Dwelling Limit) \$3.00

ADDITION OF NAMED PERIL THEFT TO OPTIONAL CONTENTS COVERAGE:
 PER \$1,000 of Contents Coverage – Coverage C \$2.00
 Optional Theft Coverage Must be Purchased for 100% of Contents Limit
 Available only on Full-Time Owner Occupied units.
Subject to a minimum premium of \$45.00

WOODSTOVE SURCHARGE:
 Application must be accompanied by a Woodstove Questionnaire and photograph.
 Surcharge base rate 10%

COVERAGE A – EXTENDED REPLACEMENT COST COVERAGE (20% Above Limit) – DP 3 ONLY
 8% Surcharge to base rate.

COMPREHENSIVE PERSONAL LIABILITY COVERAGE/ OL&T (DP-1, DP3 ONLY)

<u>Limit</u>	<u>DP-1/DP-3 Single Unit</u>	<u>Multi-Unit</u>
\$25,000	\$50.00	\$96.00
\$50,000	\$78.00	\$118.00
\$100,000	\$85.00	\$132.00
\$300,000	\$132.00	\$202.00
\$500,000	\$182.00	\$273.00

VANDALISM & MALICIOUS MISCHIEF: Per \$1,000 of Dwelling \$2.00
 (DP-1 Only. Included in DP-3)
 On Tenant Occupied, the applicable deductible for damage caused by deliberate act of tenant(s) is \$2,500.

LENDER'S LOSS PAYABLE ENDORSEMENT (438BFU) \$10.00

SURCHARGE FOR DWELLING WITHOUT COPPER PLUMBING – DP-3 only:
 Increase base dwelling by: 15%

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EARTHQUAKE COVERAGE:

(Subject to a Deductible of 10% of the total amount of insurance available. \$1,000 minimum applies.)

	<u>Zone 1</u>	<u>Zone 2</u>
Wood Frame/Stucco	\$8.00 per \$1,000	\$6.00 per \$1,000
Masonry	\$12.00 per \$1,000	\$10.00 per \$1,000

Zone 1 -- Remainder of State. *(Counties Not listed Under Zone 2.)*

Zone 2 -- Counties of: Amador, Butte, Calaveras, Colusa, El Dorado, Fresno, Glenn, Kings, Lassen, Madera, Merced, Modoc, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Siskiyou, Stanislaus, Sutter, Tehema, Trinity, Toulumne, Yolo, Yuba.

PREMIUM CREDITS & SURCHARGES

MULTI-POLICY DISCOUNT

If the insured has another in force personal lines policy with PSIC, a 5% credit to the basic premium will be allowed. This credit will be discontinued if/when the other policy(ies) lapse.