

Pacific Specialty Insurance Company

HO-4 PERSONAL PROPERTY (Renters)

GENERAL RULES & UNDERWRITING GUIDELINES

1. POLICY FORM: HO-4

2. APPLICATION/CONDITIONAL BINDING PROCEDURES

A Pacific Specialty Insurance Company ("PSIC") Renters 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 5 days from the requested effective date.*

Applications received in our office that are not postmarked within the required binding period specified above, provided all binding procedures and underwriting criteria are satisfied and approved, will be made effective the date received in our office.

3. ROUNDING RULE: All premiums must be rounded to the nearest whole dollar.

4. POLICY TERM: Policies will be written for a maximum of 12-month terms only. A term of less than 12-months can only be written to ensure that the policy expiration date coincides with the annual expiration date of another insurance policy held by the named insured. If the term is less than 12-months, the premium (not the fees) will be prorated. The minimum written premium still applies. Policy terms less than 6 months must be paid in full.

Direct bill premium invoicing is available, unless the term is less than 6-months. A premium invoice will be mailed directly to the insured 30-40 days prior to the monthly policy anniversary date.

The service fee is \$10 if installments are invoiced and paid manually. The service fee is \$3 if installments are paid electronically using automatic payments. The service fee does not apply to the down payment.

An insufficient funds fee of \$25 will be assessed whenever a manual check, electronic check/funds transfer or credit card transaction is unable to be processed due to the lack of sufficient funds or credit limit.

5. FLAT CANCELLATION: No Flat Cancellations will be processed after effective date of policy.

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DESCRIPTION OF COVERAGE

General Guide Only – See Policy for Complete Coverages

Coverage C – Unscheduled Personal Property, Actual Cash Value

Perils include: Fire, Lightning, Windstorm, Hail, Explosion, Riot, Civil Commotion, Aircraft, Vehicles, Smoke, Vandalism, Malicious Mischief, Burglary, Breakage of Glass, Falling Objects, Weight of Snow, Accidental discharge of water, and Freezing of plumbing. Sublimits apply to money, securities, watercraft, trailers, jewelry, watches, furs, firearms, silverware, business property, tools, computer equipment (partial list).

Coverage D – Loss of Use 20% of Coverage C limit

Coverage E – Personal Liability – \$10,000 each occurrence. (Higher limits available)

This excludes coverage for animal liability

Coverage F – Medical Payments to Others – \$1,000 each occurrence

Coverage WC – California Mandatory Workers Compensation

DESCRIPTION OF OPTIONAL COVERAGE

EARTHQUAKE 10% Deductible

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UNACCEPTABLE RISKS

- 1.) Boats, automobiles, recreational and utility trailers.
- 2.) Unrelated individuals living together are unacceptable unless ALL are listed as named insureds (maximum 4) and their total property values are combined. No multiple families.
- 3.) Any risk with declared value of more than the policy limits.
- 4.) Premises that are used for seasonal or secondary residency or any risk not occupied within 10 days of inception of coverage.
- 5.) More than three (3) losses/claims of any kind or more than (2) Burglary/Theft losses/claims within 3 years.
- 6.) Any risk with a claim/loss resulting from insured's willful or malicious behavior.
- 7.) Risks with homemade wood burning stoves, wood burning stoves that are not maintained and any wood burning stove and/or attached venting that does not meet current building codes or wood stoves with reclaiming heat devices.
- 8.) Units located in or near brush areas, forested areas or any area of increased fire hazard (native brush must be cleared 500 feet from premises).
- 9.) Animal Liability coverage is optional. If purchased, coverage for the following dogs and animals is excluded:
 - a. Pit Bulls, Doberman Pincers, Rottweilers, German Shepherds, Chows, Akitas, Bull Mastiffs, Stafford Shire Terriers (including a mixed breed which includes any of the above); or
 - b. Any dog known by breed to be vicious or any risk where previous dog bite history exists; or
 - c. Farm animals, or exotic or unusual pets, including but not limited to horses, cows, sheep, goats, chickens, snakes, etc.
- 10.) Risks where business is conducted on premises. When a trust is listed as an Additional Insured, a trustee or beneficiary of the trust that conducts or engages in any activities on or related to the insured location for monetary gain or compensation is unacceptable.
- 11.) A trust as a Named Insured (trusts should be listed as an Additional Insured).
- 12.) A trust as an Additional Insured when the Named Insured is not a trustee or beneficiary.

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TERRITORY DEFINITIONS

See Supplement

OPTIONAL COVERAGES

- 1.) Replacement Cost Coverage (Personal Property)
\$1.00 per \$1,000 of Coverage
(must equal personal property limit)

- 2.) Increased Personal Liability
- | | |
|---------------------------|-------------|
| \$25,000 each occurrence | add \$10.00 |
| \$50,000 each occurrence | add \$25.00 |
| \$100,000 each occurrence | add \$45.00 |
| \$300,000 each occurrence | add \$78.00 |
| \$500,000 each occurrence | add \$85.00 |

- 3.) Trusts, LLC's and Additional Insureds

A policy may be issued in the name of a Limited Liability Corporation (LLC), provided that the Managing Member is listed as an Additional Insured. No other type of business or corporation can be listed as a Named Insured, including trusts.

Trusts can only be listed as an Additional Insured and require that a trustee or beneficiary of the trust be the Named Insured.

Other persons or organizations with an insurable interest in the property can be listed as an Additional Insured.

Please note the following endorsements apply to all policies and limit coverage for legal entities and persons or organization listed as an Additional Insured to the residence premises. There is no charge for either coverage.

ATTACH: Form PM27, Additional Insured – Property Policies
Form PM28, Property Held By Legal Entity

- 4.) Identity Theft Coverage

For an additional charge of \$25, Identity Theft Coverage can be added to the policy. This coverage offers \$25,000 for expenses incurred by an insured as a direct result of an identity theft discovered during the policy period. Additionally, the coverage offers access to resolution services from a consumer fraud specialist who assists in the process of restoring the insured's identity from first call to crisis resolution. No deductible applies to this coverage. ATTACH: Form PO42

For an additional charge of \$40, Identity Theft with ID Alert Coverage can be added to the policy. This coverage offers the same benefits of Identity Theft Coverage plus ID Alert which provides a monthly proactive National Database screening and notification by phone or email of possible fraud of an insured that has provided Name, Address and Social Security Number. ATTACH: Form PO43

- 5.) Earthquake Coverage

Frame/Stucco \$4.00 per \$1000 of Coverage

Masonry \$10.00 per \$1000 of Coverage

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SURCHARGES AND DISCOUNTS

- | | | |
|-----|---|--|
| 1.) | Wood Burning Stove Surcharge
Must take photo of stove and complete questionnaire. | \$25.00 surcharge |
| 2.) | Prior Loss Surcharge | |
| | First Non-Burglary/Theft Loss | 25% Surcharge to Basic Premium |
| | Second Non-Burglary/Theft Loss | 40% Surcharge to Basic Premium |
| | Third Non-Burglary/Theft Loss | 60% Surcharge to Basic Premium |
| | First Burglary/Theft Loss | 60% Surcharge to Basic Premium |
| | Second Burglary/Theft Loss | 90% Surcharge to Basic Premium |
| 3.) | Addition of Limited Animal Liability Coverage | |
| | \$10,000 each occurrence | add \$8.00 |
| | \$25,000 each occurrence | add \$15.00 |
| | \$50,000 each occurrence | add \$20.00 |
| | \$100,000 each occurrence | add \$27.00 |
| | \$300,000 each occurrence | add \$45.00 |
| | \$500,000 each occurrence | add \$55.00 |
| | <p>Note: This coverage does not include liability coverage for the following: horses, cows, sheep, chickens or any other farm animal or any exotic or unusual pet of any kind. Any dog pure breed or containing the following breeds Rottweilers, German Shepards, Pitbulls, Doberman Pincers, Chows, Akitas, or any dog known by breed to be vicious or any risk where previous dog bite history exists.</p> | |
| | REMOVE: | Form NYM16, Animal Liability Exclusion |
| | ATTACH: | Form PO14, Limited Animal Liability Coverage |
| 4.) | Increased Deductible Credits | |
| | Increase deductible to \$500 per occurrence | 10% Credit to Basic Premium |
| | Increase deductible to \$1,000 per occurrence | 15% Credit to Basic Premium |
| | Increase deductible to \$1,500 per occurrence | 20% Credit to Basic Premium |
| 5.) | Multi-Policy Discount | |
| | <p>If the insured has another in force personal lines policy with PSIC, a 15% credit to the basic premium will be allowed. This credit will be discontinued if/when the other policy(ies) lapse.</p> | |

Minimum Written Premium: \$100

Policy Fee (fully earned) \$30

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FORMS

COVERAGE FORMS							
Form Number	Edition	Title	Source	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Program Code
NF-POL		California Renters Policy	PSIC	HO-4	M	S	F
ENDORSEMENTS							
Form Number	Edition	Title	Source	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Coverage Code
CAM1	Ed. 1	Registered Domestic Partner Coverage	PSIC	HO-4	M	S	
HO 04 90 04 91		Personal Property Replacement Cost	PSIC	HO-4	O	S	C1
PM1-CA-HO4	(Ed. 1)	California Amendatory Endorsement for Renters Policies	PSIC	HO-4	M	S	
HO 04 96 04 91		No Section II - Liability Coverages for Home Day Care Business Limited Section I - Property Coverages for Home Daycare Business	PSIC	HO-4	M	S	
H 1029/ HO 02 90 01 93	(1-93)	Workers Compensation Residence Employees- California	PSIC	HO-4	M	S	WC
NM-CA-MEPL	(04/02)	Mold Exclusion	PSIC	HO-4	M	S	
NM-CA-PO1	(11/01)	Pathogenic Organisms Exclusion	PSIC	HO-4	M	S	
NM-CA-TW1	(05/02)	Terrorism & War Exclusion	PSIC	HO-4	M	S	
NXM1		Communicable Disease and Additional Exclusions- Renters Program	PSIC	HO-4	M	S	
NXM2		Your Privacy and Its Protection	PSIC	HO-4	M	S	
NXM3		California Amendatory Endorsement Renters Program	PSIC	HO-4	M	S	
NX01		California Earthquake Coverage Renters Program	PSIC	HO-4	O	S	H
NYM16		Animal Liability Exclusion Renter's Program	PSIC	HO-4	O	S	E1E
PM17	Ed. 1	Loss Settlement Provisions for California Residential Property Policies	PSIC	HO-4	M	S	
PM27	Ed. 1	Additional Insured - Property Policies	PSIC	HO-4	O	S	AI
PM28	Ed. 1	Property Held By Legal Entity	PSIC	HO-4	O	S	LLC
PO14	Ed. 1	Limited Animal Liability Coverage	PSIC	HO-4	O	S	E1
PO42	Ed. 1	Identity Theft Coverage	PSIC	HO-4	O	S	I1
PO43	Ed.1	Identity Theft Coverage With ID Alert	PSIC	HO-4	O	S	I2
UNDERWRITING FORMS							
Form Number	Edition	Title	Source	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Condition
PU1	Ed. 1	Wood Burning Stove Inspection Report	PSIC	HO-3	O	D	Cvg = N