

Frequently Asked Questions California Residential Property Programs



Overview

1. Who is Ivantage Select Agency, Inc. (ISA)?

Ivantage Select Agency, Inc. (ISA) is an Allstate affiliate that provides service to Allstate EAs by providing access to markets not available or manufactured by Allstate. For this expanded market opportunity, ISA will be providing certain services to McGraw Insurance Services, including serving as a liaison between McGraw Insurance Services and EAs.

2. Who is McGraw Insurance Services?

McGraw Insurance Services (McGraw) is the exclusive general agent for Pacific Specialty Insurance Company (PSIC), both of which are part of the McGraw Group. At this time, McGraw will be the agent of record for on policies written by PSIC as part of this expanded market program. McGraw supplies the producer codes to login to the PSIC website, collects premiums for policies sold and handles several administrative and policy service functions for PSIC.

3. Who is Pacific Specialty Insurance Company (PSIC)?

Pacific Specialty Insurance Company (PSIC) is an insurance carrier, admitted to do business in all 50 U.S. states and the District of Columbia. All policies issued through expanded market agreements with McGraw are underwritten and issued by PSIC. PSIC maintains an "A" (Excellent) rating with A.M. Best.

4. What has PSIC done to prepare for these expanded markets?

In addition to the normal preparations that PSIC undertakes prior to every expanded market rollout with Allstate, PSIC has introduced new phone and fax lines, in addition to e-mail accounts, dedicated solely to providing service to Allstate producers. These new contacts point to PSIC's Allstate Unit, which has increased dramatically in size in preparation for the California residential property programs rollout. To reach PSIC's customer service department for Allstate, please call:

Toll-Free: 888.298.PSIC (7742)
Fax: 714.998.4401
e-Mail: allstate@mcgrawgroup.com

5. What other PSIC products will I have access to?

California Allstate producers will have access to Motorcycle, ATV, Personal Watercraft, Excess Flood, and Personal Umbrella in addition to our Homeowners and Dwelling Fire lines. All of these lines offer top tier coverage at some of the most competitive rates in California. In fact, due to a recent rate reduction, PSIC's homeowners premiums are typically 24% lower than the industry average and can save customers up to \$250 annually.

6. When will the Residential Property Products be available?

The Homeowners and Dwelling Fire products will be available starting July 2, 2007.

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Questions for Ivantage Select Agency (ISA)

Please note that the answers in this section were provided by ISA.

Please direct all additional inquiries regarding these subjects to ISA at 1-888-213-0085.



- 7. Why is Allstate pursuing an expanded market for California residential property products?**
Allstate recently decided to stop writing new property business in California. Robert H. Barge, III, field vice president for Allstate in California helped explain that decision when he said, "Because we're committed to California for the long term, Allstate is taking responsible action now to help ensure that we will have the financial strength to help protect customers if a disaster strikes in our state. This new strategy helps protect our existing customers." In response to Allstate's decision, ISA pursued an expanded market for California in order to help agencies continue to grow and provide alternatives to California consumers looking for new property insurance policies.
- 8. What customers are eligible for expanded market policies?**
All new homeowners and LPP business in California can be offered a quote through McGraw and PSIC. This includes existing homeowners or LPP customers who purchase a new home. Allstate will not non-renew existing customers who continue to meet all eligibility criteria, however no new business will be accepted by Allstate.
- 9. What is the commission for California residential property expanded markets and how is it paid?**
Commissions for Homeowners and LPP policies sold through McGraw will be 10% new and renewal. Agents will receive a commission payment from McGraw.
- 10. Will our commissions for current PSIC expanded market programs (i.e. Motorcycle) change?**
There are no changes to the rate of commissions paid on these policies
- 11. Who owns the expanded market book of business?**
McGraw owns the expirations on policies written through the expanded market program. ISA has the right to purchase the expirations.
- 12. Once I convert to broker status with PSIC, can I charge broker fees?**
No. Allstate EAs are not eligible to charge broker fees.
- 13. I missed the education sessions. How do I get credit for completing the required education?**
A recorded version of the education session will be available in early July.
- 14. Where can I get the expanded market notice and authorization form?**
The form will also be available in the Agency Gateway Program Notice (signature/non-signature version): <http://ag/id/50569> or obtain a copy by typing 50569 in Search field of Agency Gateway. The forms can also be downloaded from "Guidelines & Forms" page on PSIC's website after you login.
- 15. Who must sign the notice and authorization form?**
The insured must sign the form. As a disclosure notice, the form should be provided at the time of quote. If the customer is not available to sign the form at that time, an unsigned version can be provided. The signed form must be obtained at the time of purchase.
- 16. Where do I send the completed notice and authorization forms?**
Please fax these documents to ISA at **(866) 655-6172**.

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17. Why has my E&O deductible changed from \$500 to \$2,500?

The \$500 deductible applies to policies written through Allstate. The Calsurance E&O policy specifies a \$2500 deductible for claims on non-Allstate policies, including those through the McGraw program. This deductible applies to the current E&O policy, which expires in October 2007.

18. Can I attach a scanner to the Alstar system?

Please contact your regional Allstate leadership for this type of assistance.

Getting Started With McGraw

19. I have never written business through McGraw. How do I get a producer code?

Go to McGraw's website at www.mcgrawgroup.com. Select "New Producers" from the drop-down menu at the bottom of the main page and follow the links to download the producer agreement and related materials. Complete the agreement (and the bond application, if you don't already have one) and send them back to McGraw. Signed producer agreements can simply be faxed to McGraw's Licensing Department at (650) 780-4817, or you can mail the completed package to:

McGraw Insurance Services
ATTN: Licensing Department
3601 Haven Avenue
Menlo Park, CA 94025.

20. I already have a McGraw producer code, but need to convert to broker status. How do I get a new producer agreement?

See question #19 above to download the forms from McGraw's website, or contact ISA at 1-888-213-0085 and they will send you a copy of the producer agreement.

21. Where do I fax my producer agreement and broker bond?

If you already have a McGraw producer code, please fax your completed McGraw producer agreement, along with a copy of your broker bond showing the bond's expiration date, to ISA at 1-866-655-8377. ISA will record the information and forward it to McGraw on your behalf.

If you do not already have a McGraw producer code, please fax all information directly to McGraw at (650) 780-4817, or mail it the address provided in question #19 above. McGraw will advise ISA accordingly.

22. How do I get a broker bond?

Download the new producer agreement from McGraw's website (see question #19 above). The packet contains a bond application that you can complete and mail to McGraw at the address provided in question #19 above, along with a check for \$150 to pay for the bond. McGraw does not charge any additional fees for this service. Alternatively, you can also contact ISA at (888) 213-0085 to obtain a broker bond.

23. Will my existing McGraw producer code work for the California residential property programs when they become available?

Yes. If you already have a McGraw producer code, all you need to do is complete a new McGraw producer agreement and fax it, along with a copy of your broker bond, to ISA at (866) 655-8377, and complete the mandatory education session. You will then have access to PSIC's homeowners and dwelling fire programs beginning Monday, July 2nd, 2007.

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24. Will my support staff need a producer code?

No. Licensed support staff can share the EA's McGraw producer code. Multiple people can simultaneously use a McGraw producer code on PSIC's website (www.psic-onespot.com). However, support staff that are properly licensed and have a broker's bond can obtain their own McGraw producer code if the EA prefers. Please note, however, that McGraw pays commissions directly to everyone with a McGraw producer code.

25. I have multiple offices and use a different Allstate producer code for each office. Will I need a McGraw producer code for each office?

Yes. You will need a separate McGraw producer code for each office location. Please contact McGraw's Licensing Department for assistance at 1-800-828-3003.

26. I am licensed as a non-resident in California. Will I have access to the California residential property expanded markets? What do I need to do?

Yes, you will be able to access these expanded market programs, but you will first need to complete the required education session and convert to a broker in the State of California. To convert to broker status, you will need to complete a new McGraw producer agreement and obtain a broker bond (if you do not already have one), and fax this information to ISA at 1-866-655-8377. ISA will record the information and forward it to McGraw on your behalf. If you do not already have a McGraw producer code, please see question #19 above.

Program Materials

27. How do I get another copy of PSIC's producer packet that contains details about the California residential property expanded markets?

Easy – simply send an e-mail to PSIC at allstate@mcgrawgroup.com with your name, address and phone number, and we will send you a packet right away. An electronic copy of the PSIC Producer Packet is also available on the "Guidelines & Forms" page on PSIC's website at www.psic-onespot.com (you will need to login using your McGraw producer code to access this page).

28. How do I access program materials, such as guidelines and policy forms?

Beginning Monday, July 2nd, policy forms and program guidelines, along with additional program material, will be available on our website at www.psic-onespot.com in the "Guidelines & Forms" page (accessible once you login using your McGraw producer code). Prior to July 2nd, the program guidelines are available in the scrolling "News & Info" section of your producer home page (the page you go to as soon as you login using your McGraw producer code).

29. What type of marketing material is available?

McGraw takes care of general marketing for all of PSIC's insurance programs, including its California residential property products. Additional collateral material that can be used by individual producers is being developed and will incorporate the competitive enhancements that PSIC recently introduced into these property programs, which included new optional coverages and discounts.

30. Does PSIC's website provide any sort of lead generation?

No, this feature is not currently available.

31. Are postage-paid envelopes available?

No, McGraw does not currently have these items available. However, you can request pre-addressed envelopes. Please call us at 888-298-PSIC if you would like a supply.

Coverages

32. Are PSIC's policies open or named peril policies?

Both our Preferred and Standard Homeowners (HO-3) policies are open perils (meaning the policy provides coverage for everything except what is excluded) for the dwelling (Coverage A) and other structures (Coverage B), and named perils for personal property (Coverage C). With respect to dwelling fire policies (LPP), the Special Dwelling Fire (DP-3) policy provides open perils coverage for the dwelling, while the Basic Dwelling Fire (DP-1) policy provides named peril coverage for the dwelling.

33. Are losses settled on a replacement cost or actual cash value basis?

Losses to the dwelling and other structures are settled on a limited replacement cost basis for Preferred Homeowners (HO-3), Standard Homeowners (HO-3) and Special Dwelling Fire (DP-3). Basic Dwelling Fire (DP-1) losses are settled on an actual cash value basis. Personal property is settled on a limited replacement cost basis for Preferred Homeowners, and actual cash value for all other programs.

34. Are guaranteed replacement cost policies available?

No, all policies with replacement cost are on a limited replacement cost basis.

35. Will we still offer earthquake coverage through Alstar?

No, PSIC has the obligation to meet California's mandatory earthquake offer requirement for residential property policies we sell. Allstate will not be providing this coverage.

36. How do we offer earthquake coverage?

PSIC has 2 options for earthquake coverage. Our "Full" earthquake coverage removes the earthquake exclusion from the policy, thereby adding the peril of earthquake to the full property policy. Customers who purchase this policy will be given all coverage (including additional coverages) for damage to their dwelling and property caused by an earthquake. We also offer a stand-alone "Mini" earthquake policy. This is a separate policy underwritten by PSIC. The coverage provided by the "Mini" earthquake policy is equivalent to that provided by the basic CEA policy. "Full" earthquake coverage is quoted for every residential property policy. "Mini" earthquake is available for most policies (some additional underwriting requirements must be met). Detailed information about the "Mini" earthquake requirements is available on the "Guidelines & Forms" page.

37. How much earthquake coverage can an insured purchase?

Both our "Full" and "Mini" earthquake coverage are quoted with the same dwelling value as the primary property policy (up to \$1 million for new business).

38. Can I write a stand-alone earthquake policy without a homeowners / dwelling fire policy?

No, this option is not currently available for Allstate producers in California.

39. How much is the extended replacement cost for the dwelling?

Extended replacement cost coverage adds an additional 20% to the insured's dwelling value, for a total of 120% of the Coverage A (Dwelling) limit. This optional coverage is available for Preferred and Standard Homeowners (HO-3) policies, as well as Special Dwelling Fire (DP-3) policies.

40. What is the mortgagee deductible?

The Mortgagee deductible allows the lienholder/lender to become a loss payee in situations where the lienholder/lender has an insurable interest. When endorsement 438BFU is attached to the policy, the mortgagee deductible is always \$500, regardless of the policy deductible selected by the insured.

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41. Do you offer Ordinance or Law coverage?

Ordinance or Law coverage is included on our Preferred Homeowners program, and can be purchased for our Standard Homeowners. This coverage is not available on our Dwelling Fire program. Ordinance or Law will appear as coverage A2 when applied to a policy.

42. If the Roof for Fire and Lightning endorsement is applied, will loss settlement for the roof be settled on a replacement cost or actual cash value basis?

The loss will be settled on a replacement cost basis for Preferred Homeowners, Standard Homeowners, and Special Dwelling Fire (DP-3) policies. The loss will be settled on an actual cash value basis for Basic Dwelling Fire (DP-1) policies.

43. Does the burglary / fire alarm discount apply to local alarms?

No, this discount only applies to monitored systems.

44. Are sprinklers considered a fire alarm?

No.

45. Do you offer theft coverage?

Theft coverage is included on Preferred and Standard homeowners policies. Theft coverage can be purchased for dwelling fire (DP-3 and DP-1) policies when the dwelling is occupied full-time by the owner as their primary residence.

46. Can unscheduled personal property limits (Coverage C) be increased?

Yes, for an additional premium personal property limits can be increased to 70% of the dwelling limit for homeowners. Personal property coverage is not included with dwelling fire policies, but up to 50% of the dwelling limit can be purchased.

47. Is animal liability included?

No. Animal liability is excluded from all policies, but limited animal liability coverage can be purchased for an additional premium. If animal liability coverage is purchased, the following animals are excluded from coverage:

- Farm animals;
- Exotic or unusual pets; or
- Any of the following dog breeds: Pit Bulls; Doberman Pinschers; Rottweilers; German Shepherds; Chows; Akitas; Bull Mastiffs; or Stafford Shire Terriers.

Animal liability coverage is also not extended to any dog that is a mixed breed that includes any of the above, or to any dog known by breed to be vicious or with a previous bite history.

48. Do you offer home day care liability?

Any home day care used for business purposes is excluded from liability coverage. However, if day care is conducted for family members without payment, liability coverage is afforded.

49. Can liability be extended to off premises events or to locations in other states?

In both the Preferred and Standard homeowners policies, personal liability (Coverage E) can be extended to another location occupied by the insured for an additional premium. The location can be in another state. However, this coverage does not apply to events, such as weddings, that occur off the primary location insured by the policy.

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50. Can liability coverage be purchased for a dwelling fire policy?

Yes. For primary owner-occupied and seasonal dwelling fire policies, comprehensive personal liability (CPL) can be purchased and endorsed onto the policy. For tenant-occupied risks, owners, landlords and tenants (OL&T) liability coverage is offered. Please see the policy forms for detailed information on these coverage options.

51. Can liability coverage be purchased for swimming pool diving boards and slides, and for trampolines?

No. Risks with these items present are accepted by PSIC, however coverage for liability arising from these specific items is excluded by mandatory endorsement without the option for a buy-back.

52. Will a PSIC Personal Umbrella Policy cover swimming pool diving boards and slides, and trampolines?

No. Coverage for liability arising from these specific items is not available from PSIC.

Eligibility

53. Does PSIC require homes to be equipped with automatic gas shut-off valves?

No, this is not a requirement for PSIC.

54. What are the dwelling age requirements?

Our homeowners programs accept homes up to 75-years old for new business. The dwelling fire program accepts homes up to 90-years old for new business. Renewal is offered to all homes that meet all other eligibility criteria, regardless of the age of the dwelling.

55. What are the occupancy requirements?

For all homeowners and primary owner-occupied dwelling fire policies, the dwelling must be occupied within ten days of inception of coverage. Vacant, seasonal, secondary and rental homes are not accepted for either the Preferred or Standard homeowners programs. However, seasonal, secondary and tenant-occupied dwellings are acceptable for dwelling fire policies.

56. Do you cover a dwelling in the course of construction?

No, unless the construction, remodeling or repair is not significant enough to affect the habitability of the home.

57. Do you cover duplexes?

Yes. Our dwelling fire program allows you to write 1-4 family unit buildings. Please note that if any unit is tenant-occupied, the entire risk must be rated as tenant-occupied.

58. What happens if the dwelling does not have deadbolts on all doors or a fire extinguisher?

Dwellings without deadbolts on all exterior or garage doors that provide access to the dwelling (except sliding glass doors) and a fully functional fire extinguisher on the premises will not be eligible for coverage under a PSIC homeowners policy. In addition, homes without smoke detectors will not qualify for a Preferred Homeowners policy, but may qualify for a Standard Homeowners or dwelling fire policy.

59. Do you require locks on sliding glass doors?

Yes, but the lock does not need to be a deadbolt or require a key to function.

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60. Can I write mobile homes with PSIC?

No. Mobile homes are unacceptable for all homeowners and dwelling fire policies.

Quoting Policies

61. How long do quotes remain in your system?

Quotes can be accessed online for 90 days.

62. Do you require the insured's Social Security Number and date of birth?

No.

63. Can a trust or LLC be the named insured?

Corporate or business owned dwellings are unacceptable for all programs. This includes dwellings owned by an LLC. Dwellings owned by a trust are acceptable as long as all trustees are related to one another (a copy of the trust may be required).

64. What are the minimum and maximum policy term limits?

The minimum initial policy term is 3 months, and the maximum term is one year. All policy renewals are offered with 12-month terms.

65. If the flexible initial policy term feature is used to issue a new policy for a term of less than one year, how is the premium calculated?

The premium is calculated for an entire 12-month term and then pro-rated based on the term of coverage that is requested. Please note that inspection and policy fees, however, are associated with fixed costs and therefore are not adjusted.

66. Can a policy be written with a future effective date?

Yes, a policy can be quoted with a future effective date of up to 45-days after the quote date.

67. If I write an Allstate auto policy and a PSIC homeowners / dwelling fire policy, will the customer get the multi-policy discount?

No. The multi-policy discount offered by PSIC only applies if the insured has one or more insurance policies issued by PSIC.

68. When is the newly acquired home discount applied?

The newly acquired home discount is applied if escrow has been closed on the insured dwelling within 60-days of the policy effective date. Please note that the dwelling does not have to be new construction to qualify for this discount.

69. What is a 3-foot setback?

The setback is measured from the dwelling to the property line. If the minimum distance of this measurement is less than 3-feet, a surcharge will be applied to the policy.

70. What if the insured does not know the age of the roof?

Most likely the roof has not been replaced and is the same age as the dwelling. Simply enter the year the dwelling was built and our website will calculate the roof age.

71. Is the roof age recorded on the application?

Yes, the roof age is disclosed on the signed application and therefore warranted by the insured that it is the true age of the roof. No other documentation of the roof age is required. If the roof is replaced mid policy term, we have an Age of Roof Disclosure form available on the "Guidelines & Forms" page of our

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website that can be completed and sent to us to update our records. In some cases, this may lower the insured's premium.

- 72. What types of roofs are acceptable?**
PSIC accepts asphalt, tile, wood shingle, and composition roofs. All other roof types are unacceptable.
- 73. What types of plumbing are acceptable?**
The entire plumbing system must utilize copper, galvanized steel, polyvinyl chloride (PVC, including PVC-C), or a combination of the three to be acceptable. All other plumbing systems are unacceptable.
- 74. What if the insured does not know the type of plumbing system?**
The type of plumbing is typically apparent by viewing where the water heater is connected to the dwelling's plumbing system. In addition, the type of plumbing is often disclosed and documented during the sale of the dwelling.
- 75. How do we verify loss history?**
Producers should interview the insured with respect to prior losses. Once the policy is bound, PSIC will run a CLUE report to verify the loss history. We do not require producers to obtain CLUE reports.
- 76. If the dwelling has had a prior loss before the insured owned the dwelling, will that be considered a loss?**
No, we look at the applicant's loss history with the insured dwelling.
- 77. Is a claim closed without any payment considered a loss?**
No, claims where no payment was made are not considered losses by PSIC.
- 78. Can I pre-set coverage options for my online quotes?**
No, this feature is not currently available.
- 79. Are blank applications available?**
No, as part of PSIC's catastrophe management procedures, blank application stock is not maintained.

Dwelling Valuation

- 80. What is the minimum and maximum dwelling value?**
The minimum dwelling values are:
Homeowners (HO-3): Minimum - \$70,000
Maximum - **\$1,000,000 for new business** / \$1,100,000 for renewals.
Dwelling Fire (DP-3 & DP-1): Minimum - \$50,000
Maximum - **\$600,000 for new business** / \$650,000 for renewals.
- 81. What is the minimum and maximum dwelling size?**
The minimum living area is 750 square feet for all residential property programs. PSIC does not have a maximum dwelling size, but will not accept a home that is valued over the maximum available policy limit.
- 82. How does PSIC's Replacement Cost Estimator calculate dwelling value?**
PSIC's proprietary replacement cost estimator uses several factors, including the size of the dwelling's living area, its location, the number of fireplaces, and the size of various ancillary structures (if any) such as garages, carports, decks and patios with overhangs.

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83. Can the insured obtain more dwelling coverage than what is calculated by PSIC's Replacement Cost Estimator?

Yes. The amount from the RCE is an estimation only. If the insured would like more coverage, increased coverage can be entered into the Coverage A field on the quote screen, up to the maximum available policy limit (see question #80 above).

84. How are built-in and detached garages rated?

Built-in garages are accounted for in estimating the replacement value of the dwelling and, therefore, reflected in the Coverage A (Dwelling) premium. Detached garages are insured under Coverage B (Other Structures), which is included with the policy. Coverage B can be increased for an additional charge if the insured desires more coverage for other structures, including a detached garage.

85. How many fireplaces can a dwelling have?

There is no limit to the amount of fireplaces in a dwelling, as long as the dwelling value remains below the maximum available policy limit (see question #80 above). Every separate fireplace should be counted as one fireplace, even if they share one chimney.

86. Are woodstoves acceptable?

Yes, as long as the woodstove is not used as the primary heat source for the dwelling, and passes our woodstove inspection form (available online).

87. Are any alternative methods of dwelling valuation accepted?

Yes, we accept property appraisals and Marshall-Swift and Boekch property valuations that are no more than 12-months old.

88. Don't appraisals typically include land value?

Yes, but most are itemized to show the value of the actual dwelling. We recommend using only the appraisal amount for the dwelling when an appraisal is used to estimate replacement cost.

89. How recent does PSIC require appraisals to be?

Appraisals must be no more than 12-months old.

90. How do I get an MSB valuation?

You will need to contact MSB to receive access to their dwelling valuation tool.

91. How recent does PSIC require MSB valuations to be?

An MSB valuation must be no more than 12-months old.

92. Is there an inflation guard?

Yes, PSIC's policies include an inflation guard feature that automatically increases the dwelling coverage 3% annually.

Payment & Policy Issuance

93. What payment options are available?

PSIC has full pay, 3-pay, and 5-pay payment options available.

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94. What types of payments are accepted?

We accept credit cards (Visa, MasterCard and Discover), checks, electronic debiting of checking accounts (i.e.: ACH) and electronic funds transfer (EFT) from a producer account.

95. If the insured is paying by check who is the check made payable to?

Please make the check payable to McGraw Insurance Services.

96. Are COD's from the mortgagee acceptable forms of payment? How does PSIC handle new business when the policy is being paid through an escrow account?

Currently, PSIC does not issue policies without receiving premium payment, or a down payment if utilizing one of the optional direct bill payment plans. On renewal policies, PSIC will bill the escrow account if you check "Impound" where you supply the mortgagee information. We are working on the ability to bill the mortgagee / escrow account for new business, but that feature is not currently available.

97. Who signs the application? Can licensed support staff sign the application?

The insured and the producer must sign the application. Support staff who possess a valid property and casualty broker-agent license in California (or who are licensed on a non-resident basis in California) are allowed to sign the application for the producer of record.

98. Are faxed signatures accepted on the applications?

Yes.

99. When does the application need to be mailed to PSIC?

If the policy is paid for and submitted online, the application should be printed, signed and mailed to us within 15 days of the requested effective date if it was paid-in-full. If a direct bill payment plan is used to pay for the policy, the signed application needs to be mailed to us within 5 days to provide sufficient time for us to prepare and mail the necessary invoice. If the application is received after the 15-day (paid-in-full) or 5-day (direct bill invoicing) requirement, the policy will be made effective the date received in our office.

100. Will the application list the insured's information and the mortgagee clause (438BFU endorsement) to meet a request for evidence of insurance?

Yes, provided the 438BFU endorsement is purchased.

101. How long does binding take?

Once the payment information is entered and the "Request Binding" button is clicked, a policy number is assigned to the policy, a declaration page is instantly issued by PSIC's system and the policy becomes effective (unless a future effective date has been requested). If the policy is being mailed with payment, the policy will also be bound the same way, provided it is received in our office within the specified binding period (see question #99 above).

102. What is the effective date when an application is mailed to PSIC with a check?

If received within the required binding period (see question #99 above), the policy will be made effective on the date requested. Otherwise, the policy will be effective the date received in our office.

103. How is the vesting title recorded?

The vesting title can be recorded where you supply the mortgagee information, in the second line provided for "Mortgagee."

Inspections

- 104. Do all properties need to be inspected?**
Yes, all new and renewal policies are inspected.
- 105. Are there inspection fees on new and renewal business?**
Yes, the inspection fee is charged anytime an inspection is conducted, whether exterior, interior, or tax and title.
- 106. Are inspections conducted pre or post-bind?**
All inspections are conducted after binding has been requested.
- 107. Do producers need to conduct an inspection or arrange for one to be conducted?**
No, PSIC will handle all of the inspection requirements. Producers are not required to conduct inspections prior to submitting business.
- 108. How long does it typically take for inspections to be conducted and underwritten?**
Inspections are ordered the following business day after the policy is issued. Most inspections are conducted within two-weeks and sent to PSIC for review. PSIC makes every effort to review all applications and inspections during the first 60 days of the policy, completing most underwriting reviews within 30 days.
- 109. Is there an additional inspection fee if a re-inspection is required?**
No, in the unlikely event that PSIC must order a re-inspection, no additional fees are charged.
- 110. Does PSIC accept a previous inspection not conducted by one of PSIC's authorized inspection companies?**
No, PSIC will not accept "outside" inspections that were not conducted by one of its authorized inspection companies.
- 111. Are interior inspections conducted?**
Only when stand-alone "Mini" earthquake coverage is purchased. For all other policies an exterior only inspection is conducted on all new business.
- 112. Do inspections require an appointment?**
In most cases, an exterior only inspection will be required and no appointment will be necessary. If the insured has purchased the stand-alone "Mini" earthquake coverage, an interior inspection is required. In this case, only one inspection fee is charged (even though two policies are being issued) and the insured will be contacted by the inspection company to schedule an appointment.
- 113. What are the brush proximity rules?**
For homeowners (HO-3) policies, brush must be cleared at least 500-feet from the home. For dwelling fire (DP-3 and DP-1) policies, brush must be cleared at least ¼ mile (1,320-feet) from the dwelling.
- 114. How can I tell if a property is isolated or inaccessible to fire fighting equipment?**
If the property is situated so remotely that the locally available fire fighting equipment cannot reach the premises in the event of a fire, the property is considered isolated and inaccessible to fire fighting equipment.

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115. What is a forested area?

Any risk located in a State or National forest or similar area is considered to be in a forested area.

116. What happens if the insured dwelling does not pass inspection?

If the reason for failing the inspection is fixable (such as trimming trees away from the roof), the insured will be sent a notice to fix the problem and provide evidence that the issue has been remedied (i.e.: photos showing the trees have been trimmed, for example). If the issue cannot be remedied, PSIC will issue a notice of cancellation and unearned premium will be returned. Please note, however, that the inspection and policy fees are fully earned and will not be refunded.

117. If a policy is cancelled because of a failed inspection, are the inspection photos included in the cancellation notice?

No.

118. Are failed inspections cancelled flat?

No, a notice of cancellation is issued and unearned premium is returned.

119. How are return premiums calculated?

Returned premiums are calculated on a pro-rata basis.

Policy Service

120. How do I endorse a policy to change coverage?

You can request an endorsement online by retrieving a policy and selecting "Endorse Request" from the drop-down menu. However, if the insured would like to reduce or delete coverage, we must receive a signed request from the Named Insured.

121. How do I endorse a policy to change mortgagee information?

You can change mortgagee information on a real-time basis online by retrieving a policy and selecting "Endorse Online" from the drop-down menu.

122. Is there a charge for changing a mortgagee?

No, there is no fee for this service. Please note that the mortgagee information can only be changed once per day.

123. What is electronic correspondence and how do I get it?

Electronic correspondence, or e-correspondence, is similar to an e-mail account that we provide for producers. Once established, electronic copies of all policy notices to the producer can be accessed by selecting the "Correspondence" button on your producer home page once you login to our website (www.psic-onespot.com). Using this feature eliminates extra paper mailings and expedites delivery of policyholder notices to the producer.

You can request an e-correspondence account by completing the "Electronic Correspondence Authorization Form" located on the "Guidelines & Forms" page of our website. We highly recommend signing-up for e-correspondence.

124. How long do e-correspondence messages last?

PSIC does not automatically delete e-correspondence. For this reason, producers should regularly review and delete old messages. Failure to do so will significantly decrease the performance of this feature and slow down the loading of new e-correspondence messages.

Frequently Asked Questions California Residential Property Programs



125. How often should I check e-correspondence?

A few times a week is generally sufficient. If e-correspondence is not checked for 7-days, we will fax a notice to the producer advising them to check their account.

126. Who sends out invoices and renewal offers?

PSIC will send all notices and renewal offers directly to the insured, providing a courtesy copy to the producer.

127. How can I find out if a policy is pending cancellation?

By running the "Pending Cancellations" report on the "Reports & Utilities" page (accessible from your producer home page once you login). In addition, if you have established e-correspondence, a copy of any cancellation notice will be available to you electronically as soon as it is issued (see question #123 above). If you do not have e-correspondence, the notices will be mailed to you.

128. How are claims reported and handled?

Claims can be reported to PSIC's claims department at 1-800-962-1172. All claims are adjusted in-house by PSIC's own claims examiners.

129. How does PSIC manage catastrophes?

PSIC employs several catastrophe management procedures. Commonly in California, if a wildfire is ignited and containment does not appear to be imminent, PSIC will temporarily restrict the ability to quote and submit business through its website. Updates will be posted to the "News & Info" section of your producer home page if you are located in the affected area.

Should a catastrophic event occur, PSIC has the ability to send claims examiners to the disaster area to expedite claims handling.

130. What is PSIC's privacy policy with respect to sharing personal information?

Other than the information we are required to share with ISA and Allstate to accommodate expanded market agreements, or with other authorized parties such as inspection companies or the department of motor vehicles, PSIC does not allow outside parties access to personal information we have collected. A copy of PSIC's complete privacy policy is available online (http://www.psic-onespot.com/Privacy_v2.html).