

A M E R I C A N **HALLMARK** I N S U R A N C E

Nevada

- | New Business: 9/23/12
- | Renewal Business: 9/23/12

Dwelling Fire Program

- | DP-1 Basic Form
- | DP-2 Broad Form
- | DP-3 Special Form



Service is our Hallmark.



GENERAL RULES

The Dwelling Fire program provides property coverage using the forms and endorsements in this manual. This manual contains the rules governing the writing of the Dwelling Fire Policy. The rules, rates, forms, and endorsements filed by the Company or on behalf of the Company for each coverage will govern in all cases not specifically provided within this manual.

1. Application(s)		The agent's and applicant's signatures are required.
2. Insurance to Value	DP-1	Dwelling must be insured to market value, excluding land.
	DP-2 & DP-3	Dwelling must be insured to 100% of replacement cost value.
3. Limits		Dwellings valued between \$20,000 and \$200,000 are eligible.
4. Occupancy and Number of Units		Owner, seasonal, and rental dwellings with up to 4 units used exclusively for residential purposes.
5. Policy Term		The policy may be written for a term of 12 months.
6. Premium Determination		Premiums are calculated by using the Rate Order of Calculation table. Developed premium is rounded to the nearest whole dollar. For example: \$100.50 would be \$101.00 and \$100.49 would be \$100.00.
7. Cancellation Rule		No flat cancellation is allowed if coverage has been provided under our policy.
8. Minimum Written Premium		There is a \$150 minimum written premium.
9. Document Retention		It is the agents' responsibility to secure the required documentation upon binding and retain this information in the insured's file for a period of seven (7) years after the last policy renewal expiration date. Any and all documentation must be made available upon company request.
10. Changes in Limits or Coverage		Changes requiring adjustments of premium shall be computed pro rata. Return premium of amounts less than \$3 will be waived.
11. Transfer or Assignment		Policies may not be transferred or assigned.
12. Fees		<ul style="list-style-type: none"> • A \$38.00 Inspection Fee will apply to all policies on new business only. • A \$30.00 NSF/Return Payment fee applies on all returned payment items. • A \$7.00 Late Fee applies if payment is made after the due date. • A \$7.00 Installment Fee will be added to all installments, but not the initial down payment.
13. Payment Plans		All payment plans are direct bill. Policy premium for a term may be paid in full or through one of the Company's installment plans.
14. Consumer Reports		Reports may be ordered to verify consumer information including, but not limited to loss and financial history.

DEFINITIONS

1. Construction Type	Frame	A dwelling with walls of frame, or metal-sheathed or stuccoed frame construction, or with walls of metal lathe and plaster on combustible supports.
	Masonry	A dwelling with walls of masonry or masonry veneered construction.

2. Owner Occupied Dwellings		Dwellings owned by the insured that are occupied on a full-time basis as the insured's primary residence for at least five (5) consecutive months. (Dwellings may not be rented to others for any length of time.)
3. Seasonal/Secondary Dwellings		Dwellings owned by the insured that are occupied on an intermittent or non-continuous basis as the insured's secondary or seasonal residence for less than five (5) consecutive months. (Dwellings may not be rented to others for any length of time.)
4. Rental Dwellings		Dwellings owned by the insured that are rented to others for residential purposes.
5. Other Structures		Structures on the dwelling premises which are not attached to the dwelling (including septic tanks).
6. Supplemental Heating Device		Wood, coal or pellet burning stoves, space heaters, fireplace inserts or any other solid fuel burning device that is not centralized.
7. Public Fire Protection		Except in areas otherwise classified, all dwellings within the corporate limits shall take the fire protection classification of the municipality. All dwellings located outside of the corporate limits of a municipality shall be considered as unprotected, unless the fire protection in the district in which the dwelling is located is specifically classified.

BINDING AND EFFECTIVE DATES

Producer must be properly appointed and issued a producer number prior to binding any policies. Applications for coverage must be consistent with the written program guidelines and producer agreement. The down payment or full premium must accompany the application or endorsement. Applications and endorsements processed through the Point Of Sale System will be bound effective the date and time assigned by the system. If the Point of Sale System is off-line at the time you submit an application, please call our Underwriting department for an exception. Applications will not be accepted with a future effective date exceeding sixty days from the current date. Applications or endorsements may not be bound to cover a loss which occurred before the application is signed.

SEVERE WEATHER "WATCH OR WARNING" BINDING RESTRICTIONS

No new policy or coverage may be bound and no endorsement of existing policies that increases the company's exposure may be requested when:

- National Weather Service has issued a severe weather "watch" or "warning". The Normal operating procedures will resume 24 hours after the "watch" or "warning" has expired.
- Wildfire is within 30 miles of dwelling
- Earthquake (applicable when earthquake coverage is provided) restrictions begin with the occurrence of an earthquake or aftershock, of 5.0 Richter (or greater), and continue for a period of 72 hours for dwellings located in counties (in their entirety) within 100 miles of the epicenter.

ELIGIBILITY:

UP TO 4 LOSSES IN THE LAST FIVE YEARS

- No more than 1 fire or liability loss.
- Prior losses include any loss incurred on any property and/or structure owned, rented, or leased by the applicant.

- Complete details regarding the loss such as cause, location, date, and the amount paid for the loss are required.
- All repairs from prior losses must be complete.

DWELLINGS OVER 40 YEARS OLD

MUST HAVE UPDATED WIRING, PLUMBING, HEATING, AND COOLING SYSTEMS

- Plumbing – Plumbing must be updated to conform to current local codes with new water supply lines within the structure. New plumbing fixtures and components must be installed throughout the dwelling. Cast iron or galvanized plumbing does not qualify.
- Heating – The entire heating system must be updated to conform to current local codes. Complete replacement of the burners, furnace, heating plant, heat exchanger or heat pump is required.
- Cooling – The entire cooling system must be updated to conform to current local codes. Replacement of the central air conditioning unit, a/c compressor or heat pump is required.
- Wiring – Replacement of fuse or breaker boxes (100 amp minimum) to conform to local codes is required. Adding additional circuits without increasing total system service does not qualify. Replacement of switches, wiring, fixtures, and components necessary.
- Functional Replacement Cost Endorsement is automatically applied on dwellings over 40 years old (Applies to DP-2 and DP-3).
- No dwellings built prior to 1900 are eligible

ROOFS OVER 20 YEARS OLD (Applies to DP-2 & DP-3)

When roof is over 20 years old, the Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing Endorsement will be applied.

UNINSURED PROPERTIES

- If the risk has been uninsured for 31-90 days provide complete explanation in Remarks section.
- Risks uninsured for more than 90 days are not eligible

APPLICABLE WHEN LIABILITY COVERAGE IS PURCHASED (DP-3)

ANIMALS

- Animal liability exclusion must be applied when an animal with a bite history exists.
- Risks with unusual, exotic, vicious, or potentially vicious animals must apply the animal liability exclusion regardless of a bite history.

STEPS, PORCHES AND DECKS

Must have secured handrails if 3 feet or more above the ground.

TOWNHOMES

Townhomes or row houses are not eligible.

ELIGIBILITY TIERS

In addition to the guidelines outlined above, risks will be placed into an underwriting tier and must meet the criteria listed to be eligible for coverage. A credit-based insurance score of the named insured will determine tier placement. The TransUnion Insurance Risk Score - Property Model will calculate the credit-based insurance score.

Eligibility Criteria	Tier 1	Tier 2
Underwriting Guidelines	Must meet all underwriting guidelines in addition to all criteria listed below.	
Credit-Based Insurance Score	Above 700: Thin Hit; No Hit	At or Below 700
Prior Claims History	No more than 4 claims in review period	Claims free
Community Mitigation Classification (PPC)	1-10	1-5
Insurance to Value (ITV)	Insured to 100% of ITV, maximum value of \$200,000	Insured to 100% of ITV, maximum value of \$150,000
Deductible	Minimum \$500	Minimum \$2,500
Payment Plans	Paid-In-Full or Installment	Paid-In-Full by Mortgage Company
Year of Construction / Age of Home	Built in 1900 or newer	Built within the previous 10 years
Age of Insured	names Insured is 18 or older	Named Insured is 50 or older
Number of Hallmark Accounts	1 or more	2 or more

USE OF CREDIT HISTORY

Credit history is utilized in the underwriting of personal risks. An applicant's or insured's credit history is used to develop a credit-based insurance score. This score is then used for tier placement.

The company will re-score risks every three years, and will only consider the score in conjunction with other underwriting attributes to determine eligibility tier placement.

Hallmark Personal Lines will not decline to issue, cancel, non-renew, or otherwise terminate property and casualty insurance covering personal risks solely because of:

- A. credit history;
- B. lack of credit history; or
- C. the following extraordinary life circumstances that directly influence the credit history of the applicant or insured:
 - a) Catastrophic event, as declared by the federal or state government;
 - b) Serious illness or injury, or serious illness or injury to an immediate family member;
 - c) Death of a spouse, child, or parent;
 - d) Divorce or involuntary interruption of legally owed alimony or support payments;
 - e) Identity theft or fraud;
 - f) Temporary loss of employment for a period of three (3) months or more, if it results from involuntary termination;
 - g) Military deployment overseas; or
 - h) Other events, as determined by the company

If an applicant has experienced an extraordinary life circumstance listed above, they may follow the appeal process by sending supporting information to:

- o complaints@hallmarkinsco.com;
- o Fax to the attention of Dispute Resolution Department: (469) 298-5799; or
- o Postal Service

Hallmark Personal Lines
Attn: Dispute Resolution Department
PO Box 250209
Plano, TX 75025

With sufficient documentation, the policy will be underwritten as a credit neutral risk.

INELIGIBLE RISKS:

APPLICANTS WITH THESE CHARACTERISTICS

- Currently unemployed, other than retired or disabled
- Past felony conviction or conviction for arson, fraud, or other insurance-related offenses
- Five or more losses of any kind in the last five years
- Employees or family members of an employee of Hallmark Insurance Company or an affiliated company; or any agent, employee or family member of an agent.

DWELLINGS WITH THESE CHARACTERISTICS

- Failure to maintain residence: Condition of roof, tree trimming, updates, etc.
- Vacant or unoccupied for over 60 days
- Dwellings in foreclosure
- Dwellings that are Townhomes
- Mobile home – Issue a Manufactured Home Policy
- Boarding homes (i.e. rooming house or bed & breakfast)
- Dwellings with more than 2 layers of shingles on the roof
- More than 2 roomers, roommates, or boarders not related to the named insured.
- Dwellings with asbestos siding or synthetic stucco (EIFS) exterior
- More than 5 acres of property or on a farm, orchard, or grove
- Wood or slate roof
- Dwellings with pre-existing or un-repaired damage
- Dwellings in the course of construction
- Raised home on piers or stilts
- Business exposure on premises
- Dwellings attached to or converted from a commercial risk
- Dwelling without utilities such as gas, electricity, or water
- Pool or spa on premises unenclosed by a fence and locking gate
- Risks uninsured for greater than 60 days
- In the name of a corporation (i.e. LLC, partnership, estate, or association)
- Properties that are unable to be inspected because either the inspector is unable to locate the property or the homeowner refuses the inspection.
- Risks with open claims.
- Dwellings of unconventional construction (i.e. log home or earth home)
- Dwellings occupied by a fraternity, sorority, or similar housing arrangement.

- Risks with more than 2 mortgages.
- Cinder block foundation blocks.
- On islands with no fire protection or in isolated areas not accessible by a road

FINAL UNDERWRITING AUTHORITY

THIS MANUAL MAY NOT ADDRESS every aspect that might affect the acceptance or continuation of a particular dwelling or risk. For this reason, the company RESERVES THE RIGHT TO remain the final authority in the acceptance or continuation of any risk.

BASIC DESCRIPTION OF COVERAGE

Coverage	DP-1	DP-2	DP-3
Coverage A-Dwelling	Limit Selected	Limit Selected	Limit Selected
Coverage B-Other Structures	10% of Coverage A	10% of Coverage A	10% of Coverage A
Coverage D-Fair Rental Value	10% of Coverage A	10% of Coverage A	10% of Coverage A
Loss Settlement	Actual Cash Value	Replacement Cost	Replacement Cost

CREDITS AND SURCHARGES

Credits/Surcharges	Availability	Rates	Important Information
Increased Deductible Discount-Homeowners	DP-1, DP-2, & DP-3	\$1,000: -10% \$2,500: -20% \$5,000: -25%	
Age of Dwelling Discount	DP-1, DP-2, & DP-3	Up to -21%	Homes 9 years old or newer qualify. A surcharge applies to homes constructed prior to 1930.
Age of Insured Discount	DP-1, DP-2, & DP-3	-5%	Insured 50 Years of Age or Older.
Masonry Construction Discount	DP-1, DP-2, & DP-3	-10%	
Supplemental Heating Devices	DP-1, DP-2, & DP-3	\$50	Applies when the dwelling or other structure is equipped with a wood, coal or pellet burning stoves, space heaters, fireplace inserts or any other solid fuel burning device that is not centralized.

OPTIONAL COVERAGES

Coverage	Availability	Limits Available	Rates	Important Information
Premises Liability	Seasonal/Tenant Occupied DP-1, DP-2, DP-3	\$25,000 \$50,000 \$100,000	\$35 \$45 \$53	\$25,000 Limited Animal Liability Endorsement and Trampoline Exclusion Apply.
Comprehensive Personal Liability	Owner Occupied DP-1, DP-2, DP-3	\$25,000 \$50,000 \$100,000	\$35 \$45 \$53	\$25,000 Limited Animal Liability Endorsement and Trampoline Exclusion Apply.
Increased Medical Payments to Others	DP-1 DP-2 DP-3	\$1,000 - \$5,000	\$5 Per \$1,000	\$500 Medical Payments included when Comprehensive Personal Liability or Premises Liability is purchased. For an additional premium, Medical Payment limits can be increased above the \$500/\$25,000 limit

Coverage	Availability	Limits Available	Rates
Personal Property Coverage	Owner/Seasonal Occupied DP-1, DP-2, DP-3	Up to 80% of Coverage A	See PTS
Vandalism & Malicious Mischief	DP-1	Up to \$10,000	\$1.00 Per \$1,000 of Coverage
Equipment Breakdown Coverage	DP-1, DP-2, & DP-3	\$50,000 Per Equipment Breakdown Occurrence \$3,000 per occurrence sublimits for Expediting, Spoilage & Pollutant Cleanup & Removal Via presented and to be agreed Equipment Breakdown Enhancement Endorsements.	\$25
Identity Recovery Coverage	DP-1, DP-2, & DP-3	<ul style="list-style-type: none"> \$15,000 Annual Aggregate per insured/ID Recovery Insured Lost Wages and Child/Elder Care Sublimit: \$5,000 total Mental Health Counseling Sublimit: \$1,000 total Miscellaneous Expense Sublimit: \$1,000 total 	\$25

OPTIONAL EXCLUSIONS FOR RISK ACCEPTANCE

Coverage	Availability	Important Information	Applicable Form
Other Structures Exclusion	DP-1, DP-2, & DP-3	Exclusion will remove all Other Structures Coverage at the insured premises.	HDF 0009 11 08
Animal Liability Exclusion	When Liability is Purchased	Exclusion removes liability related to animals.	HDF 0001 01 12
Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	DP-2 & DP-3	Mandatory when roof > 20 years. Revises loss settlement on roof surfacing to an actual cash value basis.	DP 0475 12 02
Functional Replacement Cost Loss Settlement	DP-2 & DP-3	Mandatory when dwelling > 40 years.	DP 05 30 12 02
Roof Exclusion	DP-1, DP-2, & DP-3	Excludes coverage for loss to roof from wind or hail until roof has been replaced.	HDF 0010 03 09
Windstorm or Hail Exclusion	DP-1, DP-2, & DP-3	Exclusion removes coverage for the peril of windstorm or hail. A premium credit is applied.	HDF 0003 07 08

PAYMENT PLANS: NEW BUSINESS

Pay Plan	Term	Down Pay	# of Installments	1st Installment Due	Additional Installment Due
Paid In Full	Any	100%	N/A	N/A	N/A
1 Pay	Annual	50%	1	6 Months	N/A
3 Pay	Annual	25%	3	30 Days	Quarterly
10 Pay	Annual	8.33%	10	30 Days	Monthly

PAYMENT PLANS: RENEWALS

Pay Plan	Term	Down Pay	# of Installments	1st Installment Due	Additional Installment Due
Paid In Full	Any	100%	N/A	N/A	N/A
1 Pay	Annual	50%	1	6 Months	N/A
3 Pay	Annual	25%	3	30 Days	Quarterly
10 Pay	Annual	8.33%	11	30 Days	Monthly