

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

## Nevada

- | New Business: 12/10/12
- | Renewal Business: 12/10/12

## Homeowners Program

- | HO-2 Broad Form Homeowners
- | HO-3 Special Form Homeowners
- | HO-4 Contents Broad Form-Renters



Service is our Hallmark.



## GENERAL RULES

The Homeowners Program provides residential property and personal liability coverages for individuals under the forms and endorsements filed by the company. For coverage details refer to the form. This manual contains rules governing the usage of forms and endorsements. The rules, forms, and endorsements filed by the Company for each coverage shall govern all cases.

1. Application(s)		The agent's and applicant's signatures are required.
2. Insurance to Value		Dwelling must be insured to 100% of replacement cost value
3. Limits	HO-2 & HO-3	Dwellings valued between \$40,000 and \$250,000 are eligible.
	HO-4	Contents limits between \$10,000 and \$40,000 are eligible.
4. Occupancy and Risk Parameters	HO-2	Owner or seasonally occupied dwellings used exclusively for private residential purposes.
	HO-3	Owner occupied dwellings used exclusively for private residential purposes.
	HO-4	Tenant occupied dwellings used exclusively for private residential purposes. Insureds must be married or in a domestic partnership recognized by Nevada law to be named on the same policy. Unmarried co-habitants must be written on separate Renters policies.
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	HO-2 & HO-3	There is a \$250 minimum written premium.
	HO-4	There is a \$100 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 will be issued by the company at the policy holder's request.
11. Transfer or Assignment		Policies may not be transferred or assigned.
12. Fees		A \$38.00 Inspection Fee will apply to all HO-2 and HO-3 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
2. Owner Occupied Dwelling		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. Other Structures		Structures on the dwelling premises which are not attached to the dwelling (including septic tanks).
5. Supplemental Heating Device		Wood, coal or pellet burning stoves, space heaters, fireplace inserts or any other solid fuel burning device that is not centralized.

## 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:

- The National Weather Service has issued a severe weather "watch" or "warning".  
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 entireties) within 100 miles of the epicenter.

## ELIGIBILITY:

### HO-2, HO-3 UP TO 4 LOSSES IN THE LAST FIVE YEARS

### HO-4 NO MORE THAN 2 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.
- No dwellings built prior to 1900

## ROOFS OVER 20 YEARS OLD

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

## 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.

## UNINSURED PROPERTIES

- If the risk has been uninsured for 31-60 days provide complete explanation in Remarks section.
- Risks uninsured for more than 60 days are not eligible.

## SWIMMING POOLS

- In-ground pools must have a fence, at least four feet high with a locking gate that encloses the pool.
- Above-ground pools must have either a fence, at least four feet high with a locking gate that encloses the pool or steps and ladders that can be secured, locked, or removed when the pool is not in use.
- Pools with diving boards or slides are ineligible

## 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.

### HO-2, HO-3 ONLY

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

### HO-4 ONLY

Eligibility Criteria	Tier 1	Tier 2	Tier 3
Underwriting Guidelines	Must meet all underwriting guidelines in addition to all criteria listed below.		
Credit-Based Insurance Score	700 and Above	651 - 699; Thin Hit; No Hit	At or Below 650
Prior Claims History	No more than the maximum allowed in the state	No more than 1	Claims Free
Community Mitigation Classification (PPC)	1 - 10	1 - 8	1 - 5
Dwelling Type	Single-Family, Multi-Family	Multi-Family	Multi-Family
Deductible	Minimum \$500	Minimum \$500	Minimum \$1,000
Payment Plans	Paid-In-Full or Installment	Paid-In-Full	Paid-In-Full
Age of Insured	Named Insured is 18 or older	Named Insured is 35 or older for scores 651 - 699; Named Insured is 18 or older for thin and no hit	Named Insured is 50 or older
Number of Hallmark Accounts	1 or more	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](mailto: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 dwellings
- Dwellings in foreclosure
- Dwellings that are Townhomes
- Mobile home – Issue a Manufactured Home Policy (except HO-4)
- 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 homes with open foundation, or that are on piers, stilts, or concrete blocks
- 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 (except HO-4)
- Farming exposure on premises
- 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
- Properties with an excessive liability exposure such as a skateboard or bicycle ramp, diving board, or pool slide
- 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
- 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	HO-2	HO-3	HO-4
Coverage A-Dwelling	Limit Selected	Limit Selected	N/A
Coverage B-Other Structures	10% of Coverage A	10% of Coverage A	N/A
Coverage C-Contents	50% of Coverage A	50% of Coverage A	Limit Selected
Coverage D-Loss of Use	20% of Coverage A	20% of Coverage A	10% of Coverage C
Coverage E-Liability	\$100,000	\$100,000	\$25,000
Animal Liability	\$25,000	\$25,000	\$25,000
Trampoline Liability	Excluded	Excluded	Excluded
Coverage F-Medical Payments to others	\$1,000	\$1,000	\$500

## CREDITS AND SURCHARGES

Credits/Surcharges	Availability	Rates	Important Information
Increased Deductible Discount - Homeowners	HO-2 & HO-3	Up to -27%	Deductibles: \$1,000/\$2,500/\$5,000
Increased Deductible Discount - Tenant and Condo	HO-4	\$1,000: -2%	
Masonry Construction Discount	HO-2 & HO-3	-10%	
Multi-Policy Discount	HO-2 & HO-3	-10%	Applies when the named insured maintains one or more personal lines policies with American Hallmark Insurance Company of Texas or Hallmark Insurance Company.
Fire Alarm Discount	HO-2 & HO-3	-5%	Applies when dwelling is protected by a fire alarm that alerts a central station or directly notifies the fire department.
Burglar Alarm Discount	HO-2 & HO-3	-2%	Applies when dwelling is protected by an electronic burglar alarm system that alerts a central station or the residents of the dwelling.
Age of Dwelling Discount	HO-2 & HO-3	Up to -21%	Homes 9 years old or newer qualify. A surcharge applies to homes constructed prior to 1930.
Age of Insured Discount	HO-2 & HO-3	-5%	Insured 50 Years of Age or Older.
Supplemental Heating Devices	HO-2, HO-3 & HO-4	\$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.

### MAXIMUM DISCOUNT CAP (HO-2/HO-3)

The following discounts are subject to a cumulative maximum reduction of 30%:

- Age of Dwelling
- Age of Insured
- Multi-Policy
- Fire Alarm
- Burglar Alarm



## OPTIONAL COVERAGES

Coverage	Availability	Limits Available	Rates	Applicable Form
Increased Personal Liability	HO-2 & HO-3	\$300,000	\$60	
Increased Personal Liability	HO-4	\$50,000 \$100,000	\$9 \$18	
Increased Medical Payments to Others	HO-2 & HO-3	\$2,000-\$5,000	\$5 per \$1,000	
Increased Medical Payments to Others	HO-4	\$1,000-\$5,000	\$10 per \$1,000	
Increased Personal Property	HO-2 & HO-3	Up to 80% of Coverage A	\$2 per \$1,000	
Increased Other Structures Coverage	HO-2 & HO-3	Up to 50% of Coverage A	\$3 per \$1,000	
Replacement Cost Loss Premium Settlement - Personal Property	HO-2, HO-3 & HO-4		25% of Base Policy Premium	HO 0490 10 00
Equipment Breakdown Coverage	HO-2, HO-3 & HO-4	\$50,000 per Equipment Breakdown Occurrence. \$3,000 per occurrence sublimits for Expediting, Spoilage & Pollutant Cleanup & Removal	\$25	
Identity Recovery Coverage	HO-2, HO-3 & HO-4	\$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	HO-2 & HO-3	Exclusion will remove all Other Structures Coverage at the insured premises	HIC 0009 11 08
Animal Liability Exclusion	HO-2, HO-3 & HO-4	Exclusion removes liability related to animals	HIC 0001 01 12
Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	HO-2 & HO-3	Mandatory when roof > 20 years. Revises loss settlement on roof surfacing to an actual cash value basis.	HO 0493 10 00
Functional Replacement Cost Loss Settlement	HO-2 & HO-3	Mandatory when dwelling > 40 years.	HO 05 30 10 00
Roof Exclusion	HO-2 & HO-3	Excludes coverage for loss to roof from wind or hail until roof has been replaced.	HIC 0010 03 09
Windstorm or Hail Exclusion	HO-2, HO-3	Exclusion removes coverage for the peril of windstorm or hail. A premium credit is applied.	HIC 0003 05 08

## PAYMENT PLANS: NEW BUSINESS

Pay Plan	Policy Form	Term	Down Pay	# of Installments	1st Installment Due	Additional Installment Due
Paid In Full	All HO Forms	Any	100%	N/A	N/A	N/A
Semi-Annual	HO-2 & HO-3	Annual	50%	1	180 Days	N/A
Quarterly	HO-2 & HO-3	Annual	25%	3	90 Days	90 Days
Monthly	HO-2 & HO-3	Annual	8.33%	10	30 Days	30 Days
Monthly	HO-4	Annual	16.67%	10	30 Days	30 Days

## PAYMENT PLANS: RENEWALS

Pay Plan	Policy Form	Term	Down Pay	# of Installments	1st Installment Due	Additional Installment Due
Paid In Full	All HO Forms	Any	100%	N/A	N/A	N/A
Semi-Annual	HO-2 & HO-3	Annual	50%	1	180 Days	N/A
Quarterly	HO-2 & HO-4	Annual	25%	3	90 Days	90 Days
Monthly	All HO Forms	Annual	8.33%	11	30 Days	30 Days