

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

Texas

- | New Business: 8/18/13
- | Renewal Business: 8/18/13

Dwelling Fire Program

- | TDP-1 Texas Dwelling Policy 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	TDP-1	Dwellings should be insured for actual cash value.
3. Limits		Dwellings up to \$200,000.
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		A \$20.00 Policy Fee will apply to all policies. A \$38.00 Expense Constant will apply to all policies. 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. All policies will be charged a \$7.00 Installment Fee.
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. Loss History Reports		A loss history report may be ordered to verify prior claims.
15. Mandatory Windstorm Exclusion		Windstorm, Hurricane, and Hail coverage is excluded in all areas where coverage can be obtained through the Texas Windstorm Insurance Association (Tier 1 counties).

DEFINITIONS

1. Construction Type	Frame	A dwelling with walls of frame or metal-sheathed frame construction, or with walls of metal lathe and plaster on combustible supports.
	Stucco	Outer walls of stucco; asbestos board; rigid asbestos; and hard cement type sidings.
	Brick Veneer	Outer walls of brick or stone veneer.
	Masonry	Walls of solid masonry, brick, stone, or concrete.

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. 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.
7. Flat Roof		A roof that is horizontal or nearly horizontal to the ground with a pitch of 3/12 or less.

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:

- A tropical disturbance or storm has entered or is approaching the Gulf of Mexico or within the boundaries of 75 West longitude and 15 North latitude in TDI Territories 1, 8, 9, 10 and 11.
- 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 2 NON-WEATHER LOSSES IN THE LAST THREE 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.

* This does not apply to appliance related damage claims that have been properly repaired/ remediated and the repair/remediation has been inspected and certified. This also does not apply to single prior water damage claims or prior mold claims that have been properly repaired/remediated and the repair/remediation has been inspected and certified.

DWELLINGS SYSTEMS

Dwelling systems must have wiring, plumbing, heating, and cooling systems that are in good condition. We define good system conditions as the following:

- **Plumbing** – Plumbing must be updated, maintained and free from rust.
 - Acceptable Water supply plumbing: Copper, CPVC, and PEX. Cast iron and galvanized plumbing does not qualify.
 - Acceptable Drain-Waste plumbing: PVC, ABS, and Cast Iron.
- **HVAC** – The burner, furnace, heating plant, heat exchanger, a/c compressor, or heat pump must maintained and in good working order. Additionally, the fan, circulator, coupling valves, pressure relief valves, and safety controls must be updated.
 - All components must have been tested and approved by an independent testing agency, such as Underwriter's Laboratories (UL)
 - For the purposes of this rule, air ducts, vents, registers, and grills are not included in the HVAC system.
- **Electrical** – The fuse box or breaker panel must be able to allow a minimum of 100 amps of electricity to flow through without tripping. Switches, wiring, fixtures, and components must not be worn or frayed and able to meet system demands.
 - Knob and tube wiring or Federal Pacific breaker boxes are not acceptable.

TRAILING DOCUMENTS

The agency is required to keep documentation in the customer file and available upon request:

- Signed application (within 10 days of effective date)
- Signed coverage exclusions
- Mandatory Roof Covering Credit
 - Insured must submit a completed, Roofing Installation Information and Certification for Reduction in Residential Insurance Premiums form
- If updates are indicated for the dwelling systems, documentation should include:
 - Name of contractor/inspector, date of installation, type of work completed, and address of where work was performed; or
 - Signed permit by Building Code inspector showing type of renovation and date completed; or

- o Dated copy of paid contract; or
- o Dated paid receipt from qualified contractor; or
- o Dated warranty indicating the system is under guarantee or warranty by qualified contractor

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

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	600 and Above; Thin File; No Hit	Below 600
Prior Claims History*	No more than 2 non-weather claims in review period	Claims Free
Community Mitigation Classification (PPC)	1 - 10	1 - 5
Insurance to Value (ITV)	Insured to 100% of ITV	Insured to 100% of ITV, maximum value of \$150,000.
Deductible	Minimum 1%	Minimum 2.5%
Payment Plans	Paid-In-Full or Installment	Paid-In-Full

** This does not apply to appliance-related damage claims that have been properly repaired/remediated and the repair/remediation has been inspected and certified. This also does not apply to single prior water damage claims or prior mold claims that have been properly repaired/remediated and the repair/remediation has been inspected and certified.*

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 three years*

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
- Mobile home
- Boarding homes (i.e. rooming house or bed & breakfast)
- More than 5 acres of property or on a farm, orchard, or grove
- Wood, slate, or tile 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 90 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

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BASIC DESCRIPTION OF COVERAGE

Coverage	TDP-1
Dwelling	Limit Selected
Other Structures	10% of Coverage A
Loss of Use/Fair Rental Value	10% of Coverage A
Loss Settlement	Actual Cash Value

MINIMUM DEDUCTIBLES

Dwelling Location	TDP-1
Tier 1 Counties	1% All Perils
Tier 2 Counties	<ul style="list-style-type: none"> • 1% All Other Peril • 5% Hurricane or Named Storm
All Other Counties	1% All Peril

CREDITS AND SURCHARGES

Credits/Surcharges	Availability	Rates	Important Information
New Home Discount	TDP-1	-10%	Owner occupied dwellings only. Applicable for homes 0 to 7 years old or newer from the date of policy inception.
Mandatory Roof Covering Credit	TDP-1	-2% to -8%	Insured must submit a completed, Roofing Installation Information and Certification for Reduction in Residential Insurance Premiums form.
Senior Citizens Credit	TDP-1	-5%	Applicable when a named insured is 50 years old or older.

OPTIONAL COVERAGES

Coverage	Availability	Limits Available	Rates
Vandalism and Malicious Mischief	TDP-1. Owner Occupied only.		\$10
Mold, Fungi, or Other Microbes Coverage	TDP-1	25%, 50%, and 100% of Dwelling Limit	25%, 50%, or 100% of Policy Premium
Identity Recovery Coverage	TDP-1	15,000 Annual Aggregate per Insured/ID Recovery Insured	\$25 Annually
Equipment Breakdown Coverage	TDP-1	\$50,000 per Equipment Breakdown Occurrence	\$25 Annually

OPTIONAL EXCLUSIONS FOR RISK ACCEPTANCE

Coverage	Availability	Important Information	Applicable Form
Windstorm or Hail Exclusion	TDP-1	Exclusion removes coverage for the peril of windstorm or hail. A premium credit is applied.	TDP-001
Exclusion of Residential Community Property Clause	TDP-1	Removes Residential Community Property Clause contained under the Conditions Section of TDP-1 contract.	TDP-003
Criminal Acts Exclusion	TDP-1	Excludes loss resulting from criminal acts.	HDFTX 0004 0509
Other Structures Exclusion	TDP-1	Exclusion removes all Other Structures Coverage at the insured premises.	HDFTX 0009 0509
Roof Exclusion	TDP-1	Excludes coverage for loss to roof from wind or hail until roof has been replaced.	HDFTX 0010 0309

PAYMENT OPTIONS

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