

HOMEOWNERS COVERAGE

This is a new business underwriting guide for our agents and is not to be shared without the express permission of Berkshire Hathaway GUARD Insurance Companies. The following guidelines do not take into account all state-specific variations. State requirements vary and will be applied by underwriting as necessary. The following guidelines are all subject to change with or without notice.

New Business Underwriting Guidelines

Basic Property Coverages:

Coverage A: Dwelling

Coverage B: Other Structures

Coverage C: Personal Property

General Requirements

1. The property must be well maintained.
2. The property must be 100% Insured To Value (ITV); 80% ITV in MI although 100% is preferred.
3. The property must be occupied primarily for residential purposes. If incidental business on the premises occurs, the submission will be referred to an Underwriter, and an incidental business endorsement will be included on the policy.
4. Seasonal dwellings are eligible; however, we must be advised of the number of days per year that the property is not occupied. Some seasonal dwellings will require an automatic water shutoff system. In wildfire prone areas, the primary home must be insured by a Berkshire Hathaway GUARD Insurance Company.
5. LLCs, trusts, and corporations are eligible; however, the first named insured must own the deed to the home.
6. Any lapse in coverage (even a day) will require a No Known Loss letter and may require current pictures of the property. Forced placed coverage will not be considered adequate.
7. Homes with pre-existing damage will not be eligible until the damage has been resolved.
8. We will offer replacement cost, modified replacement cost, and actual cash value (with underwriting approval) for any occupied one- to four-family dwellings, including townhouses, and row homes with a coverage limit greater than \$75,000 (\$35,000 in MI). Purchaser occupants, life estate arrangements, seasonal dwellings, and homes under construction will be considered.
9. We will consider Homeowners coverage for tenants (non-owners) of a dwelling, cooperative unit, or building containing an apartment not otherwise eligible for Homeowners insurance with greater than \$6,000 of Coverage C.
10. We will consider Homeowners coverage for owners of a condominium or cooperative unit with greater than \$10,000 of Coverage C, or greater than \$1,000 of Coverage C if the dwelling is held for rent.

Ineligible Risks

1. Applicants with three or more losses of \$1,000 or more of the same type without full mitigation. Please submit proof to Underwriter for review.
2. Applicants with two or more water losses if there is no complete mitigation including a water sensor with automatic shutoff.
3. Applicants housing any animal with a biting history unless the animal is excluded from the policy.
4. Applicants housing a canine from a 'vicious breed' unless the animal is excluded from the policy. Currently, 'vicious breeds' are Rottweiler, Pit Bull, Wolf hybrid, or any dog that has a mix of any of these breeds.
5. Applicants housing three or more dogs.
6. Applicants with dwellings in a FEMA flood zone that starts with a V or A without the maximum available coverage from FEMA or by a private flood insurer.
7. Applicants with any property that is determined to have more than 10% knob and tube wiring and/or properties without a fuse box or circuit breaker, and/or a Stab-Lok or Federal Pacific box.
8. Applicants with any property with 100 acres or more.
9. Applicants where the property is vacant.
10. Applicants where the property is in foreclosure.
11. Applicants where the property is a mobile home, trailer home, or house trailer.
12. Applicants where the property is a home built on an open foundation.
13. Applicants where the property is a home built over water (except when constructed or reconstructed on architecturally engineered pilings to meet FEMA requirements).
14. Applicants where the property is a home that is supported by stilts on land or water.
15. Applicants where the property is a home with a foundation of piers, stilts, or piling.
16. Applicants where the property is a home under construction that will not be inhabited immediately post construction.
17. Applicants where the property is a home under construction that is being built or rebuilt from the foundation up.
18. Applicants where the property is a home for sale or to be "flipped".

Special Perils

1. For coastal guidelines, please refer to the [Agency Service Center](#) > Tools & Resources > Personal Lines > Homeowners > Homeowners Coastal Guidelines.
 2. Properties in certain high-hail risk areas may require a 1% deductible, a cosmetic damage exclusion, and/or a limited loss settlement on the roof.
 3. Wildfire Risk Areas -
 - No seasonal only; primary residence must be insured with us
 - No overhang
 - No liquid propane tanks (in CA)
 - At least 100 feet of defensible space
 - All brush cleared within 15 feet
 - Full inspection will be ordered
 - Additional requirements may apply
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Risks Requiring Underwriter Approval

While the majority of our Homeowners submissions are handled via straight-through or automatic processing, the following risks will be referred to an Underwriter for further review:

1. Applicants with a dwelling with Coverage A that has a value greater than \$1,249,999. Please provide any additional details with the submission that will assist the Underwriter.
2. Applicants with dwellings in PC-10. Please provide any information for fire mitigation for the pertinent dwelling.
3. Applicants with Insurance To Value greater than 135% (150% if in CA) or ITV less than 90% of the offer of insurance must reflect the correct value. Agent provided valuations will be considered.
4. Applicants with a dwelling that has a flat roof over 15 years old. Please provide the Underwriter with what is known about the condition of the roof. EPDM roofs in good condition will generally be accepted. Hot mopped roofs will generally not be accepted regardless of condition.
5. Applicants requesting additional Coverage B or D (Loss of Use) that is more than 30% over the default. Please provide the Underwriter with a reason for the large request.
6. Applicants with Condo or Renters exposure:
 - less than 2,000 square feet and any Coverage C risk greater than \$300,000; or
 - greater than 2,000 square feet and any Coverage C risk greater than \$500,000.

Please provide details of the general upkeep of the building, protective safeguards, and fire protection.

7. Applicants with a liability loss or with 2 losses of \$500 or more. Please provide details for claims when known and any mitigation that is done.
8. Applicants with an unfenced swimming pool or trampoline. Please provide the Underwriter with any details regarding additional protection.
9. Applicants housing an exotic pet.
10. Applicants with incidental business exposure.
11. Applicants requesting insurance after a lapse in coverage. A No Known Loss letter is required and pictures will be requested.
12. Applicants with a loss greater than \$40,000. Please provide details of the loss.
13. Applicants requesting scheduled personal property coverage. For any item greater than \$10,000 or \$3,500 for fine arts please provide a photo and an appraisal. Please provide any additional safeguards the insured uses to keep the items safe (e.g. a vault).
14. Applicants with a dwelling located in a wildfire risk area with a score of 70 or above. The risks may be declined based on corporate aggregates in the area or for other underwriting reasons.
15. Applicants with pets, swimming pools, or trampolines with incidental daycare exposure.

For all risks final approval is at the Underwriter's discretion.

Additional Underwriting

After an account is accepted, all risks will be reviewed by underwriting and/or receive an inspection. The inspection and underwriting review will go over the application and look for evidence of insurability issues. The Underwriter may cancel the policy for unsatisfactory inspection or send a recommendation. If the recommendation is not agreed to, or not followed up on, the Underwriter will cancel the coverage.

Coverage will be cancelled if there is a wood burning stove with inadequate protection, ventilation, foundation of the stove, location of stove, and heat shields.

If the Underwriter finds the upkeep of the home unsatisfactory, the account may be cancelled.

All underwriting and application information is reviewed along with the inspection, and updates to valuation and property characteristics will be made that may result in additional premium. If an issue is found with the property, the Underwriter may require the homeowner to take action. If this is done, we generally give 1 to 6 months to complete. Proof of completion is required. Failure to provide that proof will end in cancellation or non-renewal.

Catastrophic Situations

We may issue a suspension of writing new business, increasing coverage, adding any new coverage, lowering deductibles, or asking for a reinstatement of coverage in an area that may soon be affected by any type of severe weather, wildfires or earthquakes. Any suspension made will be in effect until we announce a lifting of such suspension. An Underwriting Alert announcing the suspension will be posted to our [Agency Service Center](#).

Renewals

Any account with one or more claims will be reviewed. If it is determined that the cause of the loss was by something that would have caused us not to write the risk, we will issue a nonrenewal in accordance with the terms of the policy.

We will also update valuations based on the additional rebuild cost we expect from year-to-year. If there is any inspection issue for which we provided time for correction, or the building was under the course of construction, we will review the underwriting for the account to make sure it is acceptable.

Cancellations

In the event the insurance company cancels the policy, or if the insured cancels the policy after the first year, any unearned premium paid will be returned pro-rata.

If the insured cancels the policy during the first year, the unearned premium will be returned with a short rate penalty in states where this is allowed.

If the insured requests a cancellation, we must have a signed Policy Release Form (LPR) from the insured along with the requested date of cancellation. If the date is prior to 14 days of receipt, we require proof of other coverage (not including forced placed) or proof of sale.

Important Notice

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AmGUARD Insurance Company is a member of the Berkshire Hathaway GUARD Insurance Companies with its principal place of business at 39 Public Square, Wilkes-Barre, PA 18701.

AmGUARD Insurance Company
Visit our [Agency Service Center at guard.com](#)

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