

**Interboro Insurance Company
Homeowners Program
Underwriting Guidelines**

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Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

TABLE OF CONTENTS

UNACCEPTABLE RISKS	3
NAMED INSURED ELIGIBILITY	4
HOMEOWNERS/TENANTS/CONDOS/CO-OPS (HO-2, HO-3, HO-4, HO-6) ELIGIBILITY	5
BROKERS BINDING AUTHORITY.....	8
HAZARDOUS WEATHER BINDING RESTRICTIONS	9
CANCELLATION PROCEDURES	9
DEDUCTIBLES	10

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

UNACCEPTABLE RISKS

Before quoting a risk or binding coverage, Brokers should refer to the “Unacceptable Risks” list below to determine acceptability. The following are considered unacceptable risks:

1. Attached frame-row housing (new construction with fire walls can be discussed with Underwriting for possible exceptions prior to binding)
2. Boats on premises which are greater than 26 feet in length &/or greater than 200 HP that are not insured elsewhere
3. Coal or wood burning stoves (may be acceptable with proof of professional installation and prior Underwriting approval)
4. Commercial exposure (vacant or high risk occupancy) w/in 100’
5. Dwellings for sale
6. Dwellings in the course of construction or under major renovations
7. Electrical systems with less than 100 amps or aluminum wiring
8. Exterior Insulating Finish System (E.I.F.S.) if not water managed (done prior to 2000)
9. Exposures outside of New York State
10. Hazardous equipment
11. Insureds with more than 3 residences
12. Kerosene heaters
13. Livestock
14. Mobile homes
15. More than three families as Named Insureds
16. More than three Mortgagees
17. Named Insureds who are NOT titled owners of the dwelling
18. Named Insureds who do NOT occupy the dwelling
19. Non-owner occupied dwellings
20. Properties purchased for re-sale (Flipping)
21. Property not well maintained
22. Recreational vehicles (Jet Skis are permitted)
23. Residences owned in the name of a business
24. Roomers or boarders
25. Same residence also insured elsewhere (multiple policies for same risk)
26. Scheduled property used professionally
27. Swimming pools not properly fenced or gated
28. Vacant dwellings
29. Coverage lapses, non-renewals or prior cancellations for Underwriting reasons within the last 3 years
30. Risks located on barrier islands

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

31. Dog breeds listed below:

- Cane Corso
- French Mastiff
- German Shepherd
- Giant Schnauzer
- Any dog mixed with any breeds listed above

New business policies include a “**Vicious Dogs and Dogs with Prior Bite History Liability Exclusion.**” The dogs listed above are not included in the aforementioned exclusion and are therefore considered unacceptable.

NAMED INSURED ELIGIBILITY

Form HO-2, HO-3, HO-4 and HO-6: The Named Insured(s) must be the owner/occupant(s) of the property.

Trustees and Grantors may be listed as “Named Insureds” on a policy provided that the Trustee is an individual and not a corporation and resides in the household.

Trusts may only be listed as an additional interest, not as the Named Insured.

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

HOMEOWNERS/TENANTS/CONDOS/CO-OPS
(HO-2, HO-3, HO-4, HO-6) ELIGIBILITY

Brokers must contact Underwriting prior to binding with any questions regarding acceptability.

1. **Applicant** – The applicant must have an insurable interest in the property to be insured.
2. **Territory** – Dwellings must be located in New York State.
3. **Dwelling Address** – The exact dwelling address is required. When an exact dwelling address is non-existent, the legal description of the property as it appears on the deed or the address used by a local utility company is required. Rural route and box number addresses are unacceptable.
4. **Occupancy** – Owner occupied residence premises (HO-2, HO-3 or HO-6), or tenant occupied addresses (HO-4), used exclusively for private residential purposes are eligible for coverage.
5. **Modular Homes** – This construction type may be written under an HO-3 policy if it is on a permanent foundation. Mobile homes are not eligible.
6. **Prior Losses** – More than one claim must be discussed with Underwriting prior to binding.
7. **Secondary/Seasonal Residences** – Secondary homes must be insured on a separate HO-2, HO-3, HO-4 or HO-6 policy. Seasonal residences will be added via corresponding endorsement in our system with Liability Coverage only. All underwriting guidelines that apply to the primary residence also apply to a secondary or seasonal home.
 - The liability limit and deductible on the secondary or seasonal residence must match that of the primary home.
 - A secondary residence is defined as an additional residence used for other than recreational purposes. A secondary residence must be occupied by the Insured 2+ days a week on average, written on a separate policy and may not be rented to others. The primary policy must be in force with Interboro.
 - A seasonal residence is defined as a dwelling with continuous unoccupancy on a regular basis during any 1-year period (i.e.: summer/winter home).
 - There is a limit of one seasonal residence. The seasonal residence must be owner occupied and may not be rented to others.
8. **Log Homes** – Log home dwellings constructed of pre-cut solid logs (usually in kit form) assembled at the building site by a professional, licensed contractor are eligible provided they are located in protection class 1 through 8.

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

9. **Condition of Property** – Dwellings must be well maintained and meet all guidelines outlined in this manual. For houses, the roof must be less than 20 years old and well maintained. For condos/co-ops/tenants, the roof must be well maintained. Flat roofs may be approved with photos or a contractor's certificate of inspection. Systems must be updated within 30 years and well maintained.
10. **Wood, Coal or Pellet Burning Stoves** – Risks with wood, coal or pellet burning stoves are acceptable provided the stove has been installed or inspected by a heating contractor or other similar professional. The chimney/vent must be UL approved for fuel source, adhere to clearance standards and be maintained or inspected annually. An ABC rated fire extinguisher must be mounted close to the unit and/or be readily accessible. At least one smoke detector per floor must be installed. The interior section of the stove pipe cannot have more than two ninety (90°) degree bends, be smaller in size than the exhaust collar or slant downward towards the chimney. The following situations make the risk ineligible for coverage:
- The stove is the sole source of heat
 - Units not UL tested and/or approved
 - Multiple venting (two or more units connected to the chimney/vent)
 - Units with a heat saver or heat reclaimer in the vent pipe
 - Combination wood/gas units
 - Homemade units
 - Units installed in a garage
- A completed Wood/Coal Burning Stove questionnaire must accompany the homeowner application. A supplemental questionnaire is not required for conventional masonry fireplaces, factory-built fireplaces, built-in fireplaces, pellet stoves or coal burning furnaces. The company may perform an internal/external inspection on risks with a wood burning stove.
11. **Swimming Pools/Spas** – In-ground swimming pools must be located in a completely enclosed or fenced yard and access restricted by the use of a locking gate. Above-ground swimming pools must have a raised and locking stair. If a spa is present, the spa must be securely covered.
12. **Security Bars** – Windows and doors that are equipped with security bars must have an interior lock release mechanism to open the bars in case of an emergency.
14. **Farms** – Interboro does not offer Incidental Farmers' Personal Liability or Farmowner's policies.
15. **Scheduled Personal Property** – Personal property schedules cannot total more than 25% of the Coverage A limit for HO-2 and HO-3 forms and 50% of the Coverage C limit for the HO-4 and HO-6 forms. Scheduled jewelry cannot exceed 25% of the Coverage C limit. Items valued or costing less than \$500 will not be scheduled. A bill of sale or appraisal, *dated within 3 years*, is required.

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

16. Boats –

- Up to 15 feet in length and less than 50 horsepower
- 15 to 26 feet in length and up to 200 horsepower
- Sailboats from 26 to 40 feet in length.

17. Home Business – The policy provides incidental business property coverage up to \$2,500. Certain business occupancies will make a risk unacceptable if the nature of the business involves hazardous liability situations or materials. If the presence of the business changes the character of the residence from a private dwelling to commercial or mercantile, the risk is unacceptable.

18. Detached Structures – Risks with more than three detached building structures on the premises, or any one building structure which has a replacement cost of more than 100% of Coverage A, requires underwriting referral prior to binding. More than three detached building structures could be an indication of potential business or commercial exposure on the premises. A description of each structure and its usage should be discussed with underwriting prior to binding.

19. Trampolines – A trampoline liability exclusion will be added to all new business policies.

20. EIFS – Exterior Insulation and Finishing System. Homes built with EIFS (synthetic stucco) siding must be built after 1999. Homes built prior to 2000 will be considered if evidence is submitted, prior to binding, that the EIFS siding contains a drainage system to prevent moisture from being trapped behind the covering. “Drainable EIFS” systems incorporate drainage channels behind the Styrofoam panels which may be visible at the bottom of the exterior synthetic stucco wall.

21. Alarms – Alarm certificates are required for all protective devices and should be forwarded within 72 hours of policy issuance.

22. Inspections – All 3 and 4-family risks require electrical & heating inspections in addition to an internal inspection prior to binding. Applicants are to be informed that they must be available for internal inspections. Daytime phone # for the Insured must be provided for scheduling purposes.

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

BROKERS BINDING AUTHORITY

<i>1 - 4 Family Dwellings / Condos / Co-ops / Tenants</i>	
Available Homeowner Forms (External inspections will be done on all homes. Internal inspections may be done in some cases.)	HO-2 or HO-3 HO-4 (Tenants) HO-6 (Condos or Co-ops)
Minimum Dwelling Value	1-2 Family Homes: \$150,000 (\$100,000 in Upstate Territories) 3-4 Family Homes: \$250,000 (\$200,000 in Upstate Territories) \$25,000 for Condos, Co-ops or Tenants
Maximum Dwelling Value	\$1,500,000 (\$2,000,000 - Und. approval required) \$1,000,000 for Condos, Co-ops or Tenants
Maximum Combined Property Values Per Dwelling (Coverages A + B + C + D)	\$3,000,000 (\$4,000,000 – Und. approval required) Not Applicable for Condos, Co-ops or Tenants
Maximum Liability	\$500,000
Available Deductibles	\$500; \$1,000; \$1,500; \$2,500; \$5,000; \$7,500; \$10,000
Windstorm Deductible (Bronx, Kings, Nassau, Putnam, Queens, Richmond, Rockland, Suffolk & Westchester Counties)	1%; 2%; 5%; 10%* (*if Coverage A = \$500,000+) Not Applicable for Condos, Co-ops or Tenants
Secondary Residence (Primary Policy must be In Force with Interboro)	Must be occupied by Insured 2+ days a week on average and written on a separate policy
Seasonal Residence – Liability Only (Dwelling with continuous unoccupancy on a regular basis in a 1-year period; i.e.: summer/winter home)	Limit 1; Owner-Occupied (done via corresponding Endorsement in the system)
Boats	Up to 15 feet in length and less than 50 HP 15 to 26 feet in length and up to 200 HP Sailboats from 26 to 40 feet in length
Roof	Houses: Within 20 Years and Well Maintained Condos/Co-ops/Tenants: Well Maintained Flat roofs may be approved with photos & contractors cert of inspection.
System Updates	Within 30 Years & Well Maintained For Condos, Co-ops or Tenants: Well Maintained
Prior Losses	More than one claim must be discussed with Underwriting for approval prior to binding.

All business is subject to Underwriting review, physical inspection & verification of information provided on the application.

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

Property Coverage Type	Maximum Value Per Item
Scheduled Cameras	\$10,000
Scheduled Fine Arts	\$25,000
Scheduled Furs	\$30,000
Scheduled Golfer's Equipment	\$5,000
Scheduled Jewelry	\$50,000
Scheduled Musical Instruments	\$25,000
Scheduled Silverware	\$25,000
Scheduled Stamps and Rare Coins	\$25,000

Personal Property schedules cannot total more than 25% of the Coverage A limit for HO-2 and HO-3 forms and 50% of the Coverage C limit for HO-4 and HO-6 forms.

Scheduled jewelry cannot exceed 25% of the Coverage C limit. Items valued or costing less than \$500 will not be scheduled.

An appraisal, *dated within 3 years*, is required for scheduled items valued over \$5,000. However, Underwriting reserves the right to request documentation for items valued under \$5,000.

HAZARDOUS WEATHER BINDING RESTRICTIONS

- Coverage may not be bound or increased in any area where there is a Hurricane, Tropical Storm, Hail or Flood warning or occurrence in effect. If an application for coverage is made within forty-eight (48) hours after an occurrence, the Broker must inspect the location and secure photos before initiating coverage. The Broker must note on the application that an inspection was made.
- In the event that Interboro implements a hazardous weather binding restriction, brokers will be notified by fax or email.

CANCELLATION PROCEDURES

Requests for cancellation must be received within 60 days of the effective date of the request or policy will be cancelled effective the date the request is received by Interboro.

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

DEDUCTIBLES/DISCOUNTS/RATING FACTORS

All Other Perils Deductible – (Required on all policies.)

AOP Deductible Options

- \$500
- \$1,000
- \$1,500
- \$2,500
- \$5,000
- \$7,500
- \$10,000

Windstorm Deductible –

(Applies in Bronx, Kings, Nassau, Putnam, Queens, Richmond, Rockland, Suffolk & Westchester.)

Windstorm Deductible Options

- 1%
- 2%
- 5%
- 10%*

*10% Option is only available with Coverage A @ \$500,000+
Windstorm Deductibles are not applicable for Condos, Co-ops or Tenants.

Multi-Policy Discount –

20% MPD on Interboro Homeowner policy with associated in-force Interboro/AutoOne/Maidstone Automobile policy.

(5% MPD on related Automobile policy with associated in-force Interboro Homeowner policy.)

New Home Discount –

<u>Age of Home (current year minus year built)</u>	<u>Factor</u>
0-9 Years	0.75
10-14 Years	0.85
15-29 Years	0.95
30+ Years	1.00

Interboro Insurance Company
Homeowners Program
Underwriting Guidelines

Distance To Coast Factors –

Distance To Coast Range in Miles	DTC Factor
0.00 to 0.10	1.60
0.11 to 0.20	1.50
0.21 to 0.50	1.40
0.51 to 0.75	1.30
0.76 to 1.00	1.15
1.01 to 1.50	1.10
1.51 to 2.00	1.05
2.01 to 3.00	1.00
3.01 to 5.00	0.95
5.01 to 10.00	0.90
10.01+	0.80