

New York

Homeowners

Revised January 30, 2020



UNDERWRITING & PRODUCT GUIDE

Underwritten by: Mountain Valley Indemnity Company

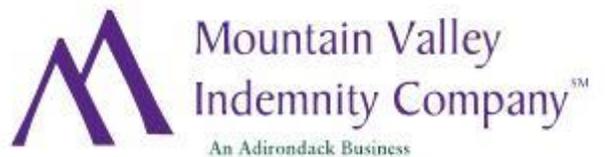


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Contact Information

Customer Service

Customer Service Phone Number 1-888-980-7647
Customer Service Fax Number..... 1-877-849-9022

Online Service.....www.mvic-aie.com

Agency Policy System..... www.natgenagency.com

Quote Assistance..... 1-888-980-7647

Claims Services

Claims (Available 24/7) 1-877-248-0555

Addresses

Correspondence

Mountain Valley Indemnity Company
PO Box 3199
Winston Salem, NC 27102-3199

Payments

Mountain Valley Indemnity Company
PO Box 94572
Cleveland, OH 44101-4572

Overnight Payments

Mountain Valley Indemnity Company
Attention: Lockbox Operations
800 Superior Ave East
Cleveland, OH 44114

Eligibility

Exposure		Elite Tier	Preferred Tier	Standard Tier
Eligibility		One or two family primary, owner occupied homes.		
Acceptable CAT Ratio		50 percent	40 percent	35 percent
Age		1940 or newer.	1940 or newer.	1920 or newer.
Updates and Maintenance		<ul style="list-style-type: none"> ▪ Heating/plumbing systems updated in the last 20 years. Updated form, signed by the insured must be completed and signed by the insured and kept in the agent's file. No galvanized steel, lead, or polybutylene pipes. ▪ Electrical service must be able to handle all current utilities. Homes without circuit breakers, with aluminum or mixed wiring, or with knob and tube wiring, cannot be bound. ▪ Roof, sidewalks and remainder of dwelling, must be maintained and in good repair. ▪ Pride of ownership must be demonstrated by a well-maintained dwelling. 		
Forms		HO3, HO4, HO6.	HO3, HO4, HO6.	HO2, HO3, HO4, HO6.
Available All Peril Deductibles		\$250, \$500, \$1,000, and \$2,500.		
Eligible Protection Class		NYC or Protection Classes 1 to 8 only.		
Coverage Minimum	Dwelling	HO3: <ul style="list-style-type: none"> ▪ Minimum — \$200K ▪ Maximum — \$1.5M. 	HO3: <ul style="list-style-type: none"> ▪ Minimum — \$150K ▪ Maximum — \$1M. 	HO2/HO3: <ul style="list-style-type: none"> ▪ Minimum — \$100K ▪ Maximum — \$1M.
	Contents	HO4/HO6: <ul style="list-style-type: none"> ▪ Minimum — \$40K ▪ Maximum — \$500K. 	HO4/HO6: <ul style="list-style-type: none"> ▪ Minimum — \$40K ▪ Maximum — \$500K. 	HO4/HO6: <ul style="list-style-type: none"> ▪ Minimum — \$30K ▪ Maximum — \$500K.
CAT Deductibles		<p>New York, Kings, Queens, Richmond, Nassau, Suffolk, and Bronx counties:</p> <ul style="list-style-type: none"> ▪ 2 percent hurricane deductible is mandatory for these counties. ▪ \$1,000 wind or all-peril deductible mandatory if within three miles of coasts for qualifying risks. <p>No mandatory hurricane or wind deductibles for the remainder of the state.</p>		
Insurance to Value		100 percent replacement cost as determined by inspection.		
Loss History		<ul style="list-style-type: none"> ▪ No property claims in the last 3 years. ▪ No water claims. 	<ul style="list-style-type: none"> ▪ One property claim in the last 3 years. ▪ No water claims. 	<ul style="list-style-type: none"> ▪ One property claim in the last 3 years. ▪ No water claims.

Eligibility Continued

<p>Prior Insurance</p>	<ul style="list-style-type: none"> ▪ Risk must not have been canceled, declined, or non-renewed for underwriting reasons or have had a history of nonpayment or dishonored checks cannot be bound. ▪ Risk must not have been written through the FAIR Plan or any non-standard carrier. ▪ Lapse in coverage with prior carrier must be referred to underwriting prior to binding coverage.
<p>Scheduled Personal Property (Jewelry and Furs Only)</p>	<p>Jewelry restrictions:</p> <ul style="list-style-type: none"> ▪ \$25,000 per item, all others. ▪ \$100,000 maximum, total schedule. <p>Jewelry and Fur Appraisals:</p> <ul style="list-style-type: none"> ▪ Evidence of value required. Bill of Sale or Appraisal no more than three years old for items under \$1,000. For all other items, appraisal no more than 1 year old. Appraisal must be received by the company in order to bind coverage. <p>Loose or unset precious stones or gems are ineligible.</p>
<p>Unacceptable Exposures</p>	<p>Any risks with the following may not be written:</p> <ul style="list-style-type: none"> ▪ Any business conducted on premises (except permitted incidental occupancies). ▪ Commercial entities (corporations, condominium, co-op or homeowners' associations, LLCs, etc.) as named or additional insureds. ▪ Trusts, estates, or other non-personal entities as named or additional insureds. ▪ Dwellings more than 1,000 feet from a fire hydrant and/or more than five miles from a fire station. ▪ Mobile homes or trailers. ▪ Log cabins or any home of unique or unusual construction. ▪ Modular homes not on a permanent foundation. ▪ Akita, American Bulldog, Chow, Doberman, Mastiff (All), Pit Bull (All), Presa Canario, Rottweiler, Wolf, any mix of the above or any dog showing aggressive tendencies or prior bite history. ▪ Kerosene or space heaters. Wood burning stoves must be professionally installed to confirm to all applicable building and fire codes. ▪ Vacant or unoccupied dwellings. ▪ Seasonal, secondary, or rental dwellings. ▪ Dwellings with rooming or SRO exposures. ▪ Dwellings in the course of construction or renovation. ▪ Frame row dwellings built before 1980. ▪ Any dwelling previously insured through the FAIR Plan or any non-standard carrier. ▪ Dwellings with unfenced swimming pools. ▪ Dwellings with skateboard ramps, trampolines without properly installed netting, or any other attractive nuisance that poses a liability hazard.

Coverages

Coverage options and limits will differ between the product levels. While the limits and coverage options are different between products they do not differ between Monoline and Package policies.

Section I Coverages

Coverage A – Dwelling

Provides coverage against sudden and accidental direct physical loss to property as indicated below, provided the cause of loss is not excluded by the policy.

- The dwelling on the residence premises shown in the Declarations Page, including structures attached to the dwelling; and
- Materials and supplies located on or next to the residence premises used to construct, alter or repair the dwelling or other structures on the residence premises.

For HO6 — 10 percent coverage is automatically included for both Monoline and Package policies. The amount of coverage can be increased but not decreased.

Coverage B – Other Structures

Provides coverage against sudden and accidental direct physical loss to property as indicated below, provided the cause of loss is not excluded by the policy.

Other structures on the residence premises set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

Coverage C – Personal Property

Provides coverage for direct physical loss to the property owned or used by an insured while it is anywhere in the world, provided the loss is due to a covered peril unless excluded in the policy.

Medical Payments Coverage D – Loss of Use

The limit of Liability for Coverage D is the total limit for the following:

- Additional Living Expense — If a loss covered under Section I makes that part of the residence premises where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.
- Fair Rental Value — If a covered loss makes that part of the residence premises rented to others or held for rental not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.
- Civil Authority Prohibits Use — If a civil authority prohibits you from use of the residence premises as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in Additional Living Expense and Fair Rental Value above.

Section II Coverages

Coverage E – Personal Liability

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage caused by an occurrence to which this coverage applies, we will:

- Pay up to our limit of liability for the damages for which an insured is legally liable.
- Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

Medical Payments Coverage F – Medical Payments to Others

- We will pay the necessary medical expenses that are incurred or medically ascertained within 3 years from the date of an accident causing bodily injury.
- Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices, and funeral services.
- This coverage does not apply to the insured or regular residents except residence employees.

Optional Coverages

Actual Cash Value Loss Settlement

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80 percent of the full replacement cost of the building immediately before the loss.

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage A limit of liability selected by the insured is less than 80 percent of the full replacement cost of the dwelling.

Additional Residence Rented to others

The policy may be endorsed to provide coverage when an additional residence is rented to others.

Building Additions and Alterations at Other Residence

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

Building Additions and Alterations – Increased Limit

Policy includes a limit at 10 percent of Coverage C, but coverage can be increased subject to an additional premium.

Business Property Increased Limit

- On Premises — The \$2,500 limit of liability for business property on the residence premises may be increased by endorsement to \$10,000 in increments of \$2,500.
- Off Premises — When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased, at no additional charge, to an amount that is 10 percent of the total on-premises limit of liability.

Business Pursuits

Coverage may be provided for the liability of the insured arising out of business activities. Coverage is excluded if Insured owns the business, is a partner or maintains financial control in the business.

Credit Card

The policy provides a \$500 limit of coverage which may be increased by endorsement. Coverage options are \$1,000, \$2,500, \$5,000, \$7,500 and \$10,000.

Earthquake

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake up to the homeowner coverage shown on the policy.

Earthquake deductibles:

- 5 percent of Coverage A or C.
- 10 percent, 15 percent, 20 percent and 25 percent are available for a reduced premium.

Equipment Breakdown Coverage

The Equipment Breakdown Coverage endorsement provides equipment breakdown insurance to cover equipment attached to and made part of the dwelling or other structure when perils for such equipment would have been excluded under the homeowners policy. Any risk eligible for and carrying a homeowners policy is eligible for Equipment Breakdown Coverage.

Identity Recovery Coverage

When the optional Identity Recovery Coverage endorsement is attached to the policy, \$25,000 of coverage is available to pay for the total of all loss or expense arising out of all identity thefts to any one insured first discovered during the policy period.

Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for re-applying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove civil judgments.

Increased Special Limit of Liability

The premium for \$100,000 Coverage E (Personal Liability) and \$1,000 Coverage F (Medical Payments to Others) are included in the Premium. The limits may be increased by endorsement.

If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy.

Loss Assessment

- The policy automatically provides, under Section I Additional Coverage and Section II Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake.
- The policy may be endorsed to provide loss assessment coverage pertaining to additional locations for the insured's share of loss assessments arising out of a single covered loss. No more than two locations can be written in addition to the residence premises.

Motorized Golf Cart Physical Loss Coverage

The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured.

- Also covered, for an amount equal to 10 percent of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are not permanently installed provided such property is at an insured's residence or in or upon the cart off the insured's residence at the time of loss.

Ordinance or Law Increased Percent

The policy automatically provides up to 10 percent of the Coverage A limit of liability (or for Form HO 00 04, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted below, to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

Other Structures

The policy automatically provides Coverage B – Other Structures on a blanket basis to structures located on the residence premises. The limits may be increased by endorsement.

This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

Permitted Incidental Occupancies

Coverage for a permitted incidental occupancy is limited under Section I and excluded under Section II of the homeowners policy. The policy may be endorsed to provide expanded Section I Coverage and Section II Coverage on a permitted incidental occupancy in the dwelling or in another structure on the residence premises.

- Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.
- If the permitted incidental occupancy is located in another structure, Coverage B does not apply to that structure.
- The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the Declarations Page.

Personal Injury

Liability coverage for personal injury to others, such as false arrest, malicious prosecution, wrongful eviction, slander, libel or violations of right of privacy, may be added to the policy.

Personal Property – Increased Limits – Other Residences

Coverage for personal property usually located at other residences is limited in the policy form to 10 percent of Coverage C or \$1,000, whichever is greater. This limit may be increased.

Personal Property – Increased Special Limits of Liability

- Jewelry, Watches and Furs — The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1,000 for any one article.
- Money and Securities — The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,000 limit on securities may be increased to a maximum of \$2,000.
- Silverware, Goldware, and Pewterware — The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500.
- Firearms — The special limit of liability of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100.
- Electronic Apparatus:
 - The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability of being operated by other sources of power:
 - Up to \$1,000 for apparatus in or upon a motor vehicle or motorized land conveyance; and
 - Up to \$1,000 for apparatus **not** in or upon a motor vehicle that is away from the residence premises and used for business.
 - Each of these limits may be increased to a maximum of \$5,000 in increments of \$500.
- Refrigerated Personal Property:
 - The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure. A deductible of \$100 applies.

Personal Property – Reduction in Limit

The limit of liability for Coverage C may be reduced to an amount not less than 40 percent of the limit for Coverage A.

Personal Property – Replacement Cost

Personal Property Replacement Cost Coverage applies to articles or classes of property separately described and specifically insured in this policy, as listed in the Scheduled Personal Property endorsement.

Personal Property – Scheduled

Scheduled Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

Rental to Others – Theft Coverage

The policy may be endorsed to cover loss by theft while the portion of the residence premises usually occupied by the insured is occasionally rented in whole or in part to others, or while there is rental to a roomer or boarder.

Replacement Cost

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80 percent of the full replacement cost of the building immediately before the loss.

Special Computer Coverage

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

Specific Structures Away From Residence Premises

The policy automatically provides Coverage B – Other Structures on a blanket basis to structures located on the residence premises.

This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

Unit Owners Coverage A Special Coverage

The HO6 policy automatically provides a basic Coverage A limit of \$5,000 on a named perils basis. The basic limit may be increased for an additional \$1,000 above the \$5,000 limit.

Unit Owners Rental to Others

There is no coverage for Coverage C – Personal Property and Section II Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.

Water Back Up Coverage

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

- The policy may be endorsed to provide such coverage for a limit of liability of \$5,000 subject to a \$250 deductible. No other deductible option is available.

Workers' Compensation Endorsement – State Required Endorsement

With respect to policies other than Form **HO 00 04** and Form **HO 00 06**, this endorsement must be attached to **all** policies covering **owner-occupants** of one, two, three or four family dwellings.

With respect to Form **HO 00 04**, the endorsement must be attached if the policy is issued to:

- The owner of a three or four family dwelling who occupies an apartment in that dwelling and the policy is endorsed to provide premises liability coverage for the portion of the dwelling not occupied by the owner.
- The owner-occupant of an apartment in a two family dwelling if the dwelling is occupied by co-owners, each occupying distinct living quarters with separate entrances, and a homeowners policy providing building coverage is issued to the other co-owner.
- The owner of any additional location insured under the policy that is a one, two, three or four family owner-occupied dwelling located in the state of New York.
- A tenant of an apartment in a one, two, three or four family dwelling in which one or more apartments are occupied by owners.

With respect to Form **HO 00 06**, the endorsement must be attached if the policy is issued to:

- The owner-occupant of the condominium unit, regardless of the number of units in the building.
- The owner of any additional location located in the state of New York and occupied by the insured.

No Coverage for Home Day Care Business – State Required

This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all homeowners policies.

Lead Exclusion

Coverage may be excluded for the liability arising out of business use of the residence. The following conditions apply:

- This exclusion applies to those areas of the residence used or held for business pursuits including but not limited to child or adult car services, rental or holding for rental to tenants for residential purposes or any other business use by any insured or other occupants.
- This exclusion does not apply to those areas of the residence used by any insured, in whole or part, for residential purposes.
- This exclusion does not apply to residence newly constructed after 1980.
- This exclusion does not apply to residences that are certified as having undergone total lead abatement or have been otherwise tested and certified lead free.

Discounts

Discount availability may differ between the product levels.

Fire Protective Device

Approved and properly maintained protective devices in the dwelling may be recognized for a reduced premium.

Gated Community

A credit is available for homes located in a gated community.

Off Premises Theft

The homeowners policy automatically provides coverage for loss by theft to personal property away from the residence premises.

This coverage may be excluded in Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester counties.

Theft Protective Device

Approved and properly maintained protective devices in the dwelling may be recognized for a reduced premium.

Wind Protective Device

A risk may be eligible for a premium credit if exterior wall and roof openings such as doors, windows, skylights, and vents are fully protected with hurricane resistant storm shutters or hurricane resistant laminated glass.

The storm shutters or hurricane resistant laminated glass must be designed and properly installed in accordance with the manufacturer's specifications to effectively withstand external pressure and wind-borne debris from a storm with sustained wind speed of at least 110 miles per hour or a storm surge of eight feet above normal.

Roof ridge vents and soffit vents do not have to be protected by windstorm protective devices.