

**STANDARD CASUALTY
Manual Rules – HO-A (Texas Form)**

A. ACCEPTABLE RISK

1. Dwelling must be Owner Occupied
2. Secondary Dwelling (Cannot be Seasonable/Vacation Home or used for Rental)
3. Property must be in an insurable condition, well maintained, and show "*Pride of Ownership*".

B. UNACCEPTABLE RISK

1. Individuals which are delinquent on mortgage payments.
2. Vacant Property
3. Asbestos Siding (may be acceptable if ACV & values under \$100,000; submit for approval)
4. Risks with Adjacent Structures in poor condition (may be acceptable if structure excluded)
5. Elevated Porch/Deck without Hand-Rails
6. Risks with Trampoline on premises (unless Trampoline Exclusion signed by insured)
7. Property with any type of business on the premises, including farming
8. Commercial Risk, or property converted to private dwelling
9. Mobile Homes
10. Apartment or Boarding houses and/or Tri or Four-Plexes
11. Properties without utilities connected.
12. Swimming Pool, Spa or Pond unless completely surrounded by at least a five foot locked, gated fence or a Swimming Pool with a Diving Board and/or Slide
13. Unprotected property not visible from another dwelling
14. In foreclosure
15. Substandard Electrical service (i.e. "tube & knob", fuse boxes or aluminum wiring)
16. Properties with Wood Shingles or any roofing over Wood Shingle

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17. Roofs with the following characteristics (may be acceptable with increased deductible or roof exclusion; Submit for approval):
 - a. Tar & Gravel, Slate, Clay Tiles & Expensive Metal Roofing
18. SC-RC-HOA01 - RCV Dwelling Endorsement on dwelling where roofs that are over 12 years old and/or that are exhibiting signs of excessive wear
19. Space heater with open flame
20. Primary Heat Source:
 - a. Fireplace
 - b. Wood burning stove

Must be professionally installed

Must be pre-approved by Managing Underwriter
21. Animals:
 - a. No exotic animals and/or wildlife
 - b. No livestock, poultry or horses
 - c. No animal with a bite history, regardless of size.
 - d. Canines
 - i. Pit Bulls, Chows, Dobermans, Rottweiler's, German Shepherds, and other breeds developed for aggressive behavior.
 - ii. Application must include species, breed, and weight of any dog over 30 pounds.

A signed SC-XAL-H001 - Animal Exclusion Endorsement may bypass the canine restrictions.

C. SUBMIT FOR APPROVAL

1. Risks that have been previously uninsured (agent must first inspect inside/outside of property prior to risk being bound). This does not apply to new purchases if effective date of coverage is the purchase date.

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2. Risks previously insured under “Forced Placed” or “Single Interest” Coverage. This type of coverage does not constitute “Prior Coverage” since coverage only applies to interest of the lending institution; not the property owner.
3. Individuals having a Bankruptcy and/or Repossession within the past 5 years.
4. Any individual with more that 1 weather related & 1 non-weather related loss within the past 3 years.
5. Any individual with any Fire and/or Liability Loss
6. Dwellings with Metal Siding and/or Metal Construction
7. ACV Policies: Accounts where Applicants request a value greater or lower than the dwelling’s ACV and/or Market Value less Land Value.
8. RCV Policies: Accounts where Applicants request a value either greater or lower than the dwelling’s RCV and/or where the RCV is greater than 2X’s the Market Value less Land Value.
9. Risks that fall outside Underwriting Guidelines parameters.

D. CLAIMS HISTORY

Applicants with the following claims history are UNACCEPTABLE RISKS:

1. History of habitual claims filing
2. If applicant has ever had insurance cancelled due to claims or moral hazard

E. INSPECTIONS

All properties will be inspected within 30-60 days of the policy’s effective date to ensure acceptability and the cost will be charged to the applicant. If deficiencies are discovered that make the risk unacceptable, the underwriter will endeavor to offer a solution(s) to address the deficiencies so to avoid cancellation.

Inspections will be reordered every 4 years or as needed.

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F. WINDSTORM EXCLUSION

1. Property located in Tier One are ACCEPTABLE RISK only if Windstorm Coverage is excluded
2. Application must have signed HO-140 Windstorm, Hurricane, and Hail Exclusion Agreement form attached.

G. COVERAGE LIMITS

1. DWELLING MAXIMUM \$350,000
(\$150,000 Maximum if PC 7 – 10)
2. ADJACENT STRUCTURES 10% (MIN) TO 50% OF COV. A
3. CONTENTS
 - a. without Replacement Cost 40% of Dwelling
 - b. with Replacement Cost 60% of Dwelling
4. LIABILITY
 - a. Maximum \$300,000
 - b. Medical Payments Maximum \$5,000
5. DEDUCTIBLE
 - a. Minimum 1%
 - b. Discount for Higher Deductibles
 - c. Min. Clause 1 Ded. for risks located in 2nd Tier Counties 2%-5%
6. PREMIUM
 - a. Minimum premium is \$150, plus Policy and/or Inspection Fees
 - b. Credits cannot reduce premium below \$150
7. POLICY FEE: \$85.00 (Fully Earned)

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- 8. CATASTROPHE FEE: \$50 (Fully Earned) – Only applicable if risk is located in 2nd Tier Counties
- 9. **Rural Fire Department Fee: \$1.50** (fully Earned)

H. ENDORSEMENTS

- 1. HO-160 - Scheduled Personal Property: \$2000 (max) Per Property Classification
- 2. HO-161 - Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage Percent</u>
One	25%
Two	50%
Three	100%

- 3. SC-RC-HOA01 - RCV Dwelling Endorsement
- 4. SC-LRC-HOA01 – RCV Dwelling\ACV Roof Endorsement
- 5. **NLH011 – Enhanced Partial Loss Endorsement**
- 6. SC-RCPP-HOA01 - RCV Personal Property Endorsement
- 7. SC-ERC-HOA001 - Extended Replacement Cost Coverage

(Not available for dwellings over \$275,000 in value)

- 8. SC-AP-HOA01 - Additional Insured Perils & Limited Water Damage

Water Coverage

- \$5,000
- \$10,000
- \$15,000
- \$25,000

- 9. **WBU-001 – Water Back-Up or Overflow Coverage (\$1,500 Limit)**
- 10. SC-XTRAM0001 -Trampoline Exclusion

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11. SC-XAL-H001 - Animal Exclusion
12. SC-ORL01 – Overlay Roof Limitation
13. **TAME-HO - Mandatory Appraisal Endorsement**
14. SC-IG-HOA01 – Inflation Guard
15. SC-XADJ001 - Building Exclusion
16. SC-XATV0001 – ATV Exclusion
17. SC-XP-HO1001 – Pool/Pond Exclusion
18. SC-XR001 – Roof Exclusion
19. SC-FAL-0001 - Firearm & Animal Liability Limitation

The following is a list of Acceptable State Endorsements:

HO-105, HO-110, HO-111, HO-112, HO-113, HO-120, HO-126, HO-135, HO-140, HO-145, HO-160, HO-161, HO-225, HO-301, HO-330, HO-305 & HO-712

Please note that final acceptance of the risk is determined by the Underwriter

STANDARD CASUALTY
Optional Credits

Optional Credits for HO-A

A. ALARMS:

1. Central Station Alarms must have an In-Force Certificate every renewal.
 - a. Single Function: (Burglar or Fire/Smoke)

Local	2%
Central	10%
 - b. Multi-Function: (Burglar and Fire/Smoke)

Local	4%
Central	15%
2. Credit for Age of Risk: Up to 40%

To determine credit, subtract age of dwelling from 40% (New construction = 0)
3. Credit for Automatic Sprinkler System: 8.00%

Tested annually & Certificate of Testing provide every renewal.
4. Credit for Fire Extinguisher: 2.00%
5. Credit for Loss Experience: 5.00%
6. Credit for Noncombustible Roof: 2.00%

Metal roofs only.
7. Credit for Senior Citizens Discount: 5.00%

Oldest Named insured must be 50 years or more.

Total of above state credits CANNOT exceed 50%.

B. PREFERRED CREDIT: 10%

Insured has companion Personal Auto Policy w/ Preferred Carrier (Credit Scored)

C. MANDATORY CREDITS

1. Credit for Hail Resistant Roofs
 - a. Must be allowed on existing business which qualifies. SCC will follow the State Guidelines. Please see the Personal Lines Manual for more information.

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- b. Must be accompanied by the HO-145- Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail.

D. Surcharges for HO-A

1. **Age of Roof**
2. **Flat or Low Pitch Roof Surcharge**
3. **Misrepresentation Surcharge**
4. Lapse in Coverage Surcharge
5. **Age of Dwelling**
6. Unrepaired prior damage Surcharge