

Tower Hill Prime® Insurance Company

*An affiliate of Tower Hill Specialty*

# Dwelling Program

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*Arizona*



**New Business Effective Date:** 04/01/2019

**Manual Edition Date:** 04/01/2019



**Tower Hill Specialty**

Proprietary & Confidential

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# *Dwelling Property 1 (DP-1) Program*

Tower Hill Prime Insurance Company's DP-1 program provides **named peril** coverage for an **Owner, Rental, or Seasonally occupied dwelling as well as structures not intended to be occupied or are currently vacant.**

- **Condition:** Risks should be in fair or better condition.
  - **Fair** condition means the home is structurally sound with no visible sagging porches or rooflines. A home in fair condition may also need cosmetic repairs such as paint, missing shutters, or other items that may affect the visible condition but does not affect the integrity of the structure.
  - **Unacceptable** condition includes, but is not limited to, broken or boarded up windows (Exception: Boarded up windows are acceptable for vacant homes when intended to protect the home and the home is well maintained.), excessively worn or damaged roof, unrepaired vandalism or damage, sagging porches and roofs, or excessive debris in the yard.
- **Designed Use:**
  - The Tower Hill Prime Insurance Company's DP-1 program is designed for property owners who do not desire or do not qualify for a standard homeowner's form.
- **Residence Types:**
  - A **Dwelling** is a building intended for people to live in. It may allow for up to four families and be no more than three stories tall.
  - A **Condominium (Vacant Only)** is a home in a shared building or development. The buyer gets the title of the space inside the unit, shares the common areas with other unit owners and pays a maintenance fee to the condominium association to pay for needed maintenance, repairs, and improvements.
  - A **Mobile Home/ Manufactured Home (Vacant Only)** is a factory fabricated, transportable housing unit, which is at least 8 body feet in width and built on a chassis. It is designed to be used as a dwelling with or without a permanent foundation when connected to required utilities.
  - A **Tiny Home** is a site built housing unit with usually less than 400 square feet. The dwelling must be stationary and connected to required utilities. For a non-site built housing unit see our Manufactured Home program.
  - A **Boat House Without Living Quarters, Covered Boat Slip/Dock** is a boat house or boat slip/dock structure that has a roof, may or may not be fully enclosed, and does not have living quarters.
  - A **Non-Dwelling Structure** (e.g. Pole Barn) is a structure that has a roof, may or may not be fully enclosed, and does not have living quarters.
  - A **Floating Home** is a floating structure that is designed to be used as a residential dwelling and has no engine or navigation capability.

## *Dwelling Property 3 (DP-3) Program*

Tower Hill Prime Insurance Company's DP-3 program provides **open peril** coverage for a **Rental, Seasonal, or Vacant occupied dwelling**.

- **Condition:** Risks should be in above average or better condition.
  - **Above Average** condition means the home is structurally sound and free of cosmetic defects. The condition of the home should reflect responsible ownership in the maintenance and upkeep of the home. The heating, wiring, and plumbing systems should be in good working order and the roof must be in good condition.
  - **Unacceptable** condition includes, but is not limited to, peeling paint, overgrown foliage, sagging gutters, broken or boarded up windows, excessively worn or damaged roof, unrepaired vandalism or damage, sagging porches and roofs, or debris in the yard.
- **Designed Use:**
  - The Tower Hill Prime Insurance Company's DP-3 program is designed for property owners who do not desire a standard homeowner's form or may have difficulty finding homeowner's form coverage with standard carriers due to occupancy or unfavorable liability risks such as swimming pools, trampolines, incidental business exposure, or animals.
- **Residence Types:**
  - A **Dwelling** is a building intended for people to live in. It may allow for up to four families and be no more than three stories tall.

### *Occupancies (DP-1 and DP-3)*

- **Owner:** A dwelling used as the insured's primary residence for a period of five (5) consecutive months or more annually. Homes may not be rented to others for any period of time unless Occasional Rental is selected in which case the rental time should be limited to less than one month over the course of the year. **Available in the DP-1 program only.**
- **Seasonal:** A dwelling that is not the primary residence of the insured, but one that is used on an intermittent basis as a seasonal, vacation, or secondary residence by the insured and his/her immediate family. Homes may not be rented to others for any period of time unless Occasional Rental is selected in which case the rental time should be limited to less than one month over the course of the year.
- **Rental:** A dwelling that is rented to others for residential purposes or homes used for light office (light to no foot traffic), professional, or institutional purposes. Insurance is written to cover the interest of the owner of a rented dwelling.
- **Vacant:** A dwelling temporarily vacant for one of the following reasons: Renovation/Remodeling, Between Tenancy or Real Estate Closings, Dwellings Held for Sale and On the Market, or Investment Properties.
- **Not a Residence:** A structure not intended for people to live in such as a Pole Barn or Picnic Shelter. If the structure looks more like a dwelling, then it should be written normally depending on the occupancy. When 2 or more structures need to be insured on the same premise and neither is a dwelling, the largest structure should be insured as the Coverage A with the Structure Endorsement. The second structure should be written as Other Structure Coverage on the same policy. If multiple structures are on the premises, they all must be in a condition acceptable for the program. **Available in the DP-1 program only.**

## *Eligibility and Coverages*

Coverages	DP-1	DP-3
Policy Form	D1-CW-P-0001	D3-CW-P-0001
Policy Term	12 months, Effective 12:01am Standard Time	
Loss Settlement	Actual Cash Value (ACV)	Replacement Cost (RC)
Minimum Dwelling Limit	Owner/Rental: \$20,000 Seasonal/Vacant/Not a Residence: \$5,000	\$75,000
Maximum Dwelling Limit	Owner/Rental/ Seasonal/Not a Residence: \$500,000 Vacant: \$1,000,000	Rental: \$500,000 Seasonal/Vacant: \$1,000,000
Maximum Dwelling Age	N/A	80 years of age (Older homes are acceptable if fully renovated in the last 20 years. Fully renovated refers to the complete replacement of the dwelling's electrical and plumbing systems in a professional manner. Renovations must be complete by the time of issuance. An internal inspection may be required to verify the dwelling's renovation condition.)
Occupancy	Owner/Seasonal/Rental/Vacant/Not a Residence	Seasonal/Rental/Vacant
Multi-Family	1-4 Family Up to 3 Stories	
Location of Home	Protection Class 1-10	

Additional Coverages	DP-1	DP-3
Debris Removal	Reasonable Expenses	Reasonable Expenses
Reasonable Repairs	Reasonable and Necessary	Reasonable and Necessary
Fire Department Service Charge	\$500	\$500

## *Policy Form Comparison*

Policy Form	DP-1	DP-3
<b>Dwelling Coverage (A)</b>	Named Peril	Open Peril
Fire, Lightning, and Internal Explosion	Yes	
Smoke	Yes, but not by fireplaces or agricultural smudging.	Yes
Explosion	Yes, but not by steam boilers or steam pipes.	Yes
Windstorm/Hail	Yes	
Riot/Civil Commotion	Yes	
Aircraft	Yes	Yes
Vehicles	Yes, but not by vehicles owned by insured.	Yes
Volcanic Eruption	Yes	
Vandalism or Malicious Mischief	Optional	Yes
Burglary	Optional	Yes
Collapse	No	Yes
Freezing	No	Yes
Water from Plumbing, Heating, or A/C System	No	Yes, but not gradual seepage
Power Interruption	No, but ensuing loss covered if cause of interruption occurred on premises.	No, unless cause of interruption occurred on premises.
Water Damage and Mold Property	Optional	10% of Cov. A with \$10,000 mold sublimit (Non-Vacant) 10% of Cov. A (\$50,000 maximum) with \$10,000 mold sublimit (Vacant)
Ordinance or Law	No	10% Included
Earthquake	Optional	
Flood, Neglect, War, Nuclear Hazard, and Intentional Loss	No	

Policy Form	DP-1	DP-3
<b>Other Structures Coverage (B)</b>	Named Peril	Open Peril
Included Amount	10% of Cov. A	

## *Policy Form Comparison (Continued)*

Policy Form	DP-1	DP-3
<b>Personal Property Coverage (C)</b>	Named Peril	
On Premises	100% of Coverage C	
Off Premises	10% of Coverage C	
Included Amount	None but Optional to Buy	

Policy Form	DP-1	DP-3
<b>Additional Living Expense/ Fair Rental Value Coverage (D)</b>	Named Peril	Open Peril
Included Amount	20% of Cov. A Fair Rental Value Only (Reduces Cov. A)	20% of Cov. A Additional Living Expense/ Fair Rental Value

Policy Form	DP-1	DP-3
<b>Additional Coverages</b>		
Property Removed	Covered for up to 5 days	Covered for up to 30 days
Fire Department Service Charge	\$500 if not located in the fire district providing coverage	
Plants, Trees, Shrubs, and Lawns	No	5% of Coverage A (Max \$500 per plant)

## Optional Coverages

Coverages	Important Information	Included Limits	Optional Limits	DP-1			DP-3		
				Owner	Seasonal Rental	Vacant	Not a Residence	Seasonal Rental	Vacant
Additional Living Expense/ Fair Rental Value	This coverage when purchased may be used for either Additional Living Expense (ALE) or Fair Rental Value. DP-1 includes 20% Fair Rental Value coverage which reduces Coverage A. DP-3 includes 20% of ALE/Fair Rental Value which does not reduce Coverage A.	20% of Cov. A	Up to 40% of Cov. A	X	X	X		X	X
Builder's Risk Renovation and/or New Construction Coverage	For homes that are undergoing major renovations or completion of new construction (home must be fully enclosed). The renovation amount should equal the value of improvements, alterations or repairs to buildings or structures under renovation. Upon completion of renovations, the Builder's Risk Coverage must be requested to be removed by the insured. Examples of when the Builder's Risk Renovation could be endorsed: ▶ Just purchased home undergoing major renovation ▶ Unfinished newly constructed homes that have been purchased out of foreclosure prior to the home being 100% complete by the builder.		100% of Cov. A				X		
Earthquake	Provides coverage for direct physical loss caused by an earthquake. The 15% deductible shown on the Declarations page will apply <b>separately to each coverage.</b>			X	X	X	X	X	X
Identity Fraud Expense	Provides coverage for expenses incurred as a result of identity fraud.		\$15,000	X	X			X	
Loss Assessment	Provides coverage for claims involving the condominium building or its common areas. Only available to Vacant Condos.	\$1,000	\$5,000			X			



## Optional Coverages (Continued)

Coverages	Important Information	Included Limits	Optional Limits	DP-1				DP-3			
				Owner	Seasonal	Rental	Vacant	Not a Residence	Seasonal	Rental	Vacant
Optional All Other Perils Deductible	The included All Other Perils (AOP) deductible may be changed to higher optional amounts. The change does not apply to any coverages with specific deductibles listed in the endorsement.	\$500	\$1,000 \$2,500 \$5,000	X	X	X	X	X	X	X	X
Other Structures	Limits available up to 50% of Coverage A. <b>Higher limits may be available, Refer to Underwriting.</b>		Up to 50% of Cov. A	X	X	X	X	X	X	X	X
Personal Property	Limits available up to 100% of Coverage A. <b>Higher limits may be available, Refer to Underwriting.</b>		Up to 100% of Cov. A	X	X	X	X	X	X	X	X
Residence Burglary	Adds burglary as a peril insured against for the dwelling and personal property from within the premises.		Up to 100% of Cov. A or Cov. C (whichever is greater)	X	X	X	X	X			
Residence Burglary – Personal Property	Adds burglary as a peril insured against for the personal property from within the premises.		Up to 100% of Cov. C						X	X	X
Theft Coverage	Adds Theft and Vandalism or Malicious Mischief resulting from theft or attempted theft as perils insured against for direct physical losses to household or personal property. <b>Theft cannot exceed 25% if any prior Theft loss exists. Risks with 2 or more Theft losses are not eligible for Theft Coverage.</b>		10% 25% 50% 75% 100% of Cov. C	X					X		
Vandalism or Malicious Mischief	Adds Vandalism and Malicious Mischief as a peril insured against.			X	X	X	X	X		Incl.	
Water Backup and Sump Overflow	Provides coverage for losses caused by water which backs up through sewers or drains. \$250 Deductible		\$5,000 \$10,000 \$25,000						X	X	X

## Optional Coverages (Continued)

Coverages	Important Information	Included Limits	Optional Limits	DP-1				DP-3		
				Owner	Seasonal	Rental	Vacant	Not a Residence	Seasonal	Rental
Water Damage – DP-1	<p>A Water Damage Limit of \$10,000 may be purchased which includes a \$5,000 Mold and Remediation sub-limit.</p> <p>Perils Insured Against:</p> <ul style="list-style-type: none"> <li>▶ Accidental Discharge or Overflow of Water or Steam</li> <li>▶ Freezing of a Plumbing, Heating, Air Conditioning or Automatic Fire Protective Sprinkler System or of a Household Appliance</li> <li>▶ Sudden and Accidental Tearing Apart, Cracking, Burning, or Bulging</li> </ul>		\$10,000	X	X	X	X			
Water Damage – DP-3	<p>Water Coverage as provided for by the DP-3 policy is defaulted to 10% of Coverage A with an optional buy-up to Full Water coverage. The coverage includes a \$10,000 Mold and Remediation sub-limit. Water coverage is provided in the policy subject to exclusions. Flood is excluded from this coverage. For risks with 2 or more water losses, Water Limit cannot exceed 10%. If prior loss greater than \$10,000, <b>Refer to Underwriting with explanation, Do Not Bind.</b></p>	Full Coverage	10% of Cov. A					X	X	

## *Liability Coverages*

Coverages	Important Information	Optional Limits	DP-1				DP-3		
			Owner	Seasonal Rental	Vacant	Not a Residence	Seasonal Rental	Vacant	
Animal Liability Sub-Limit	\$10,000 included when Personal Liability is present. Cannot exceed the limit selected for Personal Liability.	\$10,000 \$25,000 \$50,000 \$100,000 \$300,000 \$500,000	X						
Medical Payments	\$500 Each Person / \$25,000 Each Occurrence included when Personal or Premises Liability is present	\$1,000 - \$10,000 / \$25,000	X	X	X	X	X	X	X
Personal Liability	Included When Purchased: Damage to Property of Others - \$500 Each Occurrence	\$25,000 \$50,000 \$100,000 \$300,000 \$500,000	X						
Premises Liability	Included When Purchased: Property Manager – Premises Liability	\$25,000 \$50,000 \$100,000 \$300,000 \$500,000		X	X	X	X	X	X
Landlord Personal Injury	Premises Liability is a pre-requisite. The limit must match the Premises Liability limit selected.				X			X	

## *Exclusions*

Exclusion	Important Information	DP-1				DP-3		
		Owner	Seasonal Rental	Vacant	Not a Residence	Seasonal Rental	Vacant	
Animal Liability Exclusion	Removes Animal Liability for underwriting acceptability.	X						
Specific Building / Structure Exclusion	This exclusion removes coverage for a specific structure when the structure is in disrepair and would otherwise make the risk ineligible. The specific structure to be excluded must be provided.	X	X	X	X	X	X	
Roof Exclusion	Excludes roof coverage for risks that would otherwise be ineligible due to condition of roof or unrepaired roof damage.	X	X	X	X	X	X	

## *Settlement Options – Dwelling and Other Structures*

Loss Settlement Option	Important Information	Insurance Value	DP-1			DP-3					
			Owner	Seasonal	Rental	Vacant	Not a Residence	Seasonal	Rental	Vacant	
Actual Cash Value (ACV)	The actual cash value at the time of the loss, but not more than the amount required to repair or replace the damaged property, subject to conditions set in the policy form. DP-3 homes built before 1945 are required to use the Modified Functional Replacement Cost, Full Repair Cost, or Actual Cash Value as their settlement option. <ul style="list-style-type: none"> <li>This is included for the DP-1 policy.</li> </ul>	100% Market Value (less land value) not to exceed replacement cost	X	X	X	X	X	X	X	X	X
Full Repair Cost	Full Repair includes the full cost of repair without deduction for depreciation of the structure, subject to conditions set in the policy form. DP-3 homes built before 1945 are required to use the Modified Functional Replacement Cost, Full Repair Cost, or Actual Cash Value as their settlement option.	100% Market Value (less land value)	X	X	X	X	X	X	X	X	X
Replacement Cost (RC)	The cost to replace or repair without deduction for depreciation or obsolescence, subject to conditions set in the policy form. <ul style="list-style-type: none"> <li>This is included for the DP-3 policy.</li> </ul>	100% Full Replacement Cost (less land value)						X	X	X	
Extended Replacement Cost (ERC)	The cost to replace or repair without deduction for depreciation or obsolescence. The Dwelling limit can be extended up to 20% in the event that the cost to replace or repair exceeds the Dwelling limit on the Declarations Page, subject to conditions set in the policy form.	100% Full Replacement Cost (less land value)						X	X	X	
Modified Functional Replacement Cost	Modified Functional Replacement Cost will replace materials with common constructed materials. This loss settlement option is available for older dwellings that were built using materials and methods which may now be considered obsolete or antique. DP-3 homes built before 1945 are required to use the Modified Functional Replacement Cost, Full Repair Cost, or Actual Cash Value as their settlement option.	100% Full Replacement Cost (less land value)						X	X	X	

## *Settlement Options – Personal Property*

Loss Settlement Option	Important Information	DP-1				DP-3			
		Owner	Seasonal	Rental	Vacant	Not a Residence	Seasonal	Rental	Vacant
Actual Cash Value (ACV)	<p>The actual cash value at the time of the loss, but not more than the amount required to repair or replace the damaged property, subject to conditions set in the policy form.</p> <ul style="list-style-type: none"> <li>This is included for the policy when Personal Property is purchased.</li> </ul>	X	X	X	X	X	X	X	X
Replacement Cost (RC)	<p>The cost to replace or repair without deduction for depreciation or obsolescence, subject to conditions set in the policy form. <b>When adding coverage to an existing policy with two or more losses, Refer to Underwriting.</b></p>						X	X	X

## *Discounts*

Protective Devices	Important Information	Rate*	DP-1				DP-3		
			Owner	Seasonal	Rental	Vacant	Not a Residence	Seasonal	Rental
Central Station Fire & Smoke Alarm	This system is connected to an independent and fully staffed security agent from which trained operators are available to act in case of a fire.	-5%	X	X	X		X	X	X
Central Station Burglar Alarm	This system is connected to an independent and fully staffed security agent from which trained operators are available to act in case of a break in.	-5%	X	X	X		X	X	X
Local Smoke and/or Burglar Alarm	This system sets off a loud alarm on the premises if there is a break in or fire. It is designed to alert the inhabitants and neighbors of the break in or fire.	-2%	X	X	X		X	X	X
Deadbolts, Smoke Alarm & Fire Extinguisher	This discount is available when the dwelling has deadbolts, smoke alarms, and a fire extinguisher.	-2%	X	X	X		X	X	X

\*Discounts not to total more than 10%. Copies of alarm system certificates are required for a credit.

Discounts	Important Information	Rate	DP-1				DP-3		
			Owner	Seasonal	Rental	Vacant	Not a Residence	Seasonal	Rental
Auto/Home	This discount is available for insureds who have an auto policy that is directly written by an agency partner.	-5%	X	X	X	X	X	X	X
Claims Free	This discount is available for insureds who have not made a chargeable claim in the last three years.	-10%	X	X	X	X	X	X	X
Paid in Full	This discount is available when a Paid In Full payment plan is selected. This discount is not available for lienholder billed policies.	-5%	X	X	X	X	X	X	X
Paperless	This discount is available when electronic delivery of policy documents is selected.	-\$10	X	X	X	X	X	X	X
Private Fire Company Tax Credit	This discount applies when the dwelling is located in incorporated municipalities that procure the services of a private fire company.	-0.924%	X	X	X	X	X	X	X

## *Surcharges*

Surcharges	Important Information	Rate	DP-1			DP-3		
			Owner	Seasonal Rental	Vacant	Not a Residence	Seasonal Rental	Vacant
Occasional Rental	Applicable when an owner or seasonal occupied home is occasionally rented to others.	15%	X	X		X	X	
Short Term Rental	Applicable when a home is rented for an abbreviated period of time, less than 3 months to each occupant, such as with a vacation rental. Insured must live within 100 miles of the property or the property must be managed by a property manager.	5%			X			X
Row Home/ Town Home	This surcharge is applicable when the dwelling is a row home/ town home. A row home/ town home is a residence where more than two units are connected by a common wall to the other dwellings/units not owned by our insured. The interior and exterior walls must be owned by the insured and should not be considered a condominium.	25%	X	X	X	X	X	X
Supplemental Heating Source	Includes wood, coal, or pellet burning stoves, and any other heating devices that are not centralized. Permanently attached thermostatically controlled space heaters do not require the Supplemental Heating Device Surcharge. Note: Fireplaces are <b>NOT</b> considered supplemental heating devices unless equipped with a fireplace insert.	\$40	X	X	X	X	X	X

## *Underwriting Rules - Prior Loss History*

- A CLUE report will be obtained for all new business risks.
- Inspections may be ordered for new business risks and to confirm repairs have been made following a loss.
- Losses are relevant to rating and underwriting when \$500 or more has been paid and they occur within three years of the policy effective date.

Ineligible, Do Not Submit		
	DP-1	DP-3
General Losses	<ul style="list-style-type: none"> <li>• 4 or more losses*</li> <li>• More than 1 Fire, Theft/Burglary, Liability, Water, or Flood loss (Including any combination thereof).</li> </ul>	<ul style="list-style-type: none"> <li>• 2* or more non-weather losses or 3* or more weather losses.</li> </ul>

Refer to Underwriting, Do Not Bind		
	DP-1	DP-3
Fire Losses > \$10,000	<ul style="list-style-type: none"> <li>• When referring to Underwriting provide details of fire, including preventative measures taken to prevent future fires.</li> <li>• A copy of the fire report is required.</li> <li>• Arson, undetermined cause, or intentional act by applicant NOT acceptable.</li> </ul>	
All Liability Losses	<ul style="list-style-type: none"> <li>• When referring to Underwriting provide prior loss details and preventative measures taken.</li> </ul>	
Theft Losses > \$5,000	<ul style="list-style-type: none"> <li>• When referring to Underwriting provide prior loss details and preventative measures taken.</li> </ul>	
Water Losses > \$10,000	<ul style="list-style-type: none"> <li>• When referring to Underwriting provide preventative measures taken.</li> </ul>	
Excluding a CLUE Loss	<ul style="list-style-type: none"> <li>• Applicable when excluding a relevant loss reported by CLUE</li> </ul>	

\*4 or more losses when the insured owns 6 or more dwellings, **Refer to Underwriting**



## *Underwriting Rules - Matrix*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
Adding or increasing liability coverage on an existing policy	X	
Additional insureds when: <ul style="list-style-type: none"> <li>• More than three or</li> <li>• More than one additional insured is added as Primary or</li> <li>• Relationship to primary named insured is “other”</li> </ul>	X	
Backdating policy changes and rewrite transactions when there is an open claim on the policy	X	
Uninsured DP-1 (Seasonal and Not a Residence) <ul style="list-style-type: none"> <li>• If dwelling value is greater than or equal to \$30,000 and dwelling has been uninsured for more than 30 days, Refer to Underwriting for approval with explanation.</li> <li>• If the dwelling value is less than \$30,000 or a floating home, there is no prior insurance requirement.</li> </ul>	X	
Uninsured DP-1 (Owner, Rental, and Vacant) and DP-3 <ul style="list-style-type: none"> <li>• If the risk has been uninsured for 31-90 days Refer to Underwriting with explanation.</li> </ul>	X	
Uninsured DP-1 (Owner, Rental, and Vacant) and DP-3 <ul style="list-style-type: none"> <li>• If the risk has been uninsured for more than 90 days then Do NOT Bind and Do NOT Refer to Underwriting.</li> </ul>		X
More than one property manager per unit	X	
More than two mortgagees	X	
Previously Non-Renewed or Cancelled <ul style="list-style-type: none"> <li>• Applicants non-renewed or canceled by the prior carrier due to excess losses, large losses, payment problems or physical hazards must provide additional explanation for non-renewal or cancellation and refer to Underwriting for approval.</li> </ul>	X	
Primary heat source is “other”	X	
Purchase price of \$0 or \$1.00	X	
Reinstatement requests more than 15 days after the cancellation effective date	X	
Total living area less than 100 sq. ft. or greater than 9,950 sq. ft.		X
Reason for vacant occupancy is “other”	X	
<b>Applicant with these Characteristics:</b>		
If an Insured is a minor		X
Mortgage payments 60 days or more past due or currently in foreclosure		X
Past conviction for arson, fraud, or other insurance-related offenses		X

## *Underwriting Rules – Matrix (Continued)*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
<b>Liability Concerns:</b>		
Akitas, Dobermans, Chows, Rottweilers, Pit Bulls, wolves or wolf hybrids or any mix of these breeds on the premises when Personal Liability is purchased unless the Animal Liability Exclusion is selected.		X
Animals on the premises that have a previous bite history or vicious propensities, or wild or exotic animals or farm animals Personal Liability is purchased unless the Animal Liability Exclusion is selected.		X
Business employees who work on the premises when Liability is requested.		X
Business on the premises which increases the property or liability hazard, for example (but not limited to): hazardous chemicals, pollutants, extreme heat or flame, riding stable or dog kennel.		X
Dwelling is a boat house or covered slip and liability is requested.		X
Farming on the premises when liability is requested		X
Pools that are not enclosed by a fence at least 4 feet tall that has a locked gate, or the steps and ladders to the pool cannot be secured or removed when it is not being used when requesting Liability coverage. Above-ground pools must have either a fence at least 4 feet high with a locking gate that encloses the pool, or steps and ladders that can be secured, locked, or removed when the pool is not in use. Risks not meeting these criteria are acceptable if liability coverage is NOT included.		X
Primary named insured is a company other than a trust and Personal Liability Coverage is requested.		X
Steps, Porches, and Decks not secured by handrails and 3 feet or more above the ground. Risks not meeting these criteria are acceptable if liability coverage is <b>NOT</b> included.		X
Underground fuel storage tank when liability is requested.		X
DP-1 Program with: <ul style="list-style-type: none"> <li>• Personal Liability limit greater than \$300,000</li> </ul>	X	
Excessive liability exposures		X
Attractive nuisance liability characteristics, including, but not limited to: Bicycle ramps, unmaintained/empty swimming pools, excessive debris, trampolines, tree houses. Exceptions: trampolines & tree houses may be acceptable with when liability is less than \$500,000, refer to UW		X
Unusual or increased liability hazards; including, but not limited to, missing steps and raised decks with railing balusters more than 4 inches apart, risks with non-running, unused, or non-tagged vehicles on the premises	X	

## *Underwriting Rules – Matrix (Continued)*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
<b>Construction/Condition/Use:</b>		
Incidental businesses on premises may be eligible. This could include home offices, and other small businesses with very light or no foot traffic. Depending on the nature of the business, it may be eligible either with or without liability coverage, at the underwriter's discretion.	X	
Business on the premises which increases the property or liability hazard. Ineligible businesses include, but are not limited to: home day care, beauty salons, automotive repair, welding, dog kennels, retail stores, businesses with increased liability hazards, and any business where potentially dangerous chemicals, pollutants, extreme heat/flare or dangerous activities may be involved.		X
Condemned or abandoned		X
"Do It Yourself" Construction: Buildings or structures that are homemade or rebuilt, or any extensive remodeling. <b>Exception:</b> If approved by local government building or zoning department and a certificate of occupancy has been issued (refer to UW)		X
DP-3 Program with: <ul style="list-style-type: none"> <li>• Roofs greater than 20 years of age unless it is tile, concrete tile, steel, or heavy gauge metal roofs</li> <li>• Roofs in need of repair or replacement including but not limited to roofs with curling, lifting, or missing shingles. Roof must be in good condition.</li> <li>• Aluminum and tin roofs</li> <li>• Roofs with more than two layers of shingles</li> <li>• Roofs with less than 5 years life expectancy</li> <li>• Open Foundations</li> <li>• Floating Homes</li> <li>• Non-Dwelling Structures</li> </ul>		X
Earth homes, dome homes, or other non-conventional design (except Floating Homes)		X
Fraternity, sorority, student housing, group home, halfway house, or similar occupancy		X
Daycare on the premises with liability coverage selected		X
Hand hewn log homes unless written in DP-1, year built is 1999 or later, and ACV/Market Value loss settlement applies.		X
Homes that are not fully enclosed.		X
If the dwelling has any of the following characteristics: <ul style="list-style-type: none"> <li>• Any water leaks or unrepaired water damage (except Not a Residence)</li> <li>• Any windows that are broken or boarded-up, or any other unrepaired damage</li> <li>• Under construction or undergoing a major renovation (Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering) (except when Builder's Risk is selected)</li> </ul>		X

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
Manufactured Homes or condominiums (except when DP-1 Vacant)		X
Trailers (Occupied Stationary Travel Trailers may be eligible for the Manufactured Home program)		X
Other structures in poor physical condition and not properly maintained (except when Specific Other Structure Exclusion attached)		X
Owner and seasonally occupied dwellings that are rented out for any length of time unless the Occasional Rental Coverage is purchased. Home must be occupied for at least 4 months and only occasionally rented.		X
Rented out for less than three months at a time, including weekly rentals (except when Short Term Rental attached)		X
Floating homes NOT located on a lake or sound with minimal current. Floating homes located in an area prone to flooding.		X
Row Homes or Town Homes with any of the following characteristics: <ul style="list-style-type: none"> <li>Is greater than 60 years of age and both Roof and Electric greater than 20 years old</li> <li>Does NOT have firewalls that extend to the roof separating each unit</li> <li>Considered a condominium</li> </ul> Contain more than eight units in a row		X
If the Home is over 80 years old and with any of the following characteristics: <ul style="list-style-type: none"> <li>The dwelling uses any Galvanized Iron, Galvanized Steel, or Polybutylene water piping.</li> <li>The dwelling uses any Aluminum, Knob and Tube, or Asbestos/Plastic/Cloth Insulated wiring.</li> </ul> The dwelling is Historically Registered or otherwise subject to similar building restrictions.		X
Attached to or converted from a commercial risk.	X	
The unit is occupied as a commercial risk.		X
Vacant homes with a Coverage A limit equal to or greater than \$500,000. A property/estate manager who completes regular visits or proof of a Central Station Fire & Burglar alarm system is required.	X	
DP-3 Program: <ul style="list-style-type: none"> <li>Properties with a market value (excluding land) less than 50% of the Replacement Cost</li> </ul>	X	
Supported by raised poles or pilings that are over 6 feet tall (except Boat Slip/Dock)		X
Vacant homes with the intent to demolish or physically relocate the building		X

## *Underwriting Rules – Matrix (Continued)*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
<b>Utilities:</b>		
Active Knob and Tube wiring		X
DP-3 Program with: <ul style="list-style-type: none"> <li>• Fuse boxes (full or partial)</li> </ul>		X
Polybutylene Piping (Interior or Supply Line)		X
Primary heat source is not thermostatically controlled (except when DP-1 Seasonal)		X
Home equipped with a supplemental heating device that was NOT installed by the home's builder or by a licensed contractor.		X
Kerosene and other portable space heaters are NOT acceptable.		X
Without utilities such as natural gas, electric, or water (except when DP-1 Seasonal).		X
<b>Location and Other:</b>		
Dwelling located on an island with no Fire Protection Service.		X
If the dwelling cannot be reached by a road (except when DP-1 Seasonal or Not a Residence)		X
Located in an area that is prone to or has had a prior occurrence of landslide, forest fires, or brush fire.		X
Dwelling located within 1,000 feet of rising water or in an area prone to flooding.		X

*Circumstances reflecting an unusual exposure or increase in hazard not addressed above are unacceptable.*

*All risks are subject to inspection.*

*CAPACITY RESTRICTIONS – In order to manage geographic concentrations, overall portfolio exposure and reinsurance, the Company may establish temporary and/or permanent restrictions on binding authority to properly control and maintain appropriate geographic concentration levels.*

# *General Rules and Rating Information*

## **1. APPLICATION**

The application and all forms should be completed in RPM, printed, and signed. The agent's and applicant's signatures are required.

## **2. BINDING**

a. All applications should be entered completely into RPM. Rules in RPM will determine if coverage can be bound.

b. If the quote is required to be referred to underwriting for review, it is the agent's responsibility to notify the customer at the time of referral that the risk is not bound.

c. Unbound referred applications in RPM that do not meet our underwriting guidelines will be rejected and the agent will be notified by an assigned activity in RPM or by email.

d. If an issue is rejected, a notice will not go out to the customer so it is the agent's responsibility to notify the customer that a policy will not be issued. A declination notice may be produced upon request.

## **3. WHOLE DOLLAR PREMIUM**

The premium shall be rounded separately for each coverage to the nearest whole dollar.

## **4. MINIMUM WRITTEN AND EARNED PREMIUMS**

The minimum written and earned premium is \$100 for all programs.

## **5. INSURANCE SCORE**

Will be used to determine financial responsibility.

## **6. TRANSFER OR ASSIGNMENT**

Our policies may **NOT** be transferred or assigned.

## **7. PRIMARY NAMED INSURED IS A COMPANY/ORGANIZATION**

An Officer, Owner, or Trustee must be listed on the policy as an Additional Named Insured.

## ***Temporary Binding Restrictions***

During Temporary Binding Restrictions, do not accept any applications for new coverage, requests to increase coverage limits, or requests to lower deductibles on existing policies. Existing policies will renew during this time, provided there is no increase in coverage or lapse between policies.

### **IMPENDING SEVERE WEATHER**

- Tropical storm or hurricane watches and/or warnings
- Other weather events as determined by the company

### **EARTHQUAKE**

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.

### **WILDFIRE**

No risks may be bound within a 25 mile radius of any existing wildfire.

Temporary Binding Restrictions and updates are posted in RPM for Impending Severe Weather. Producers are encouraged to monitor information resources such as the news when there is impending severe weather or catastrophic events in the area.

For Updates log onto RPM.

## ***Cancellation Procedures***

A request to cancel a policy with Tower Hill should be made within 90 days of the requested cancellation date. If the request is received more than 90 days after the requested cancellation date, the request must also be accompanied by the following:

- A Dec page from another carrier showing coverage inforce from that date; or
- A bill of sale or other proof that the insured no longer had an interest in the home from the date.

### ***Other acceptable reasons for backdating a cancellation request:***

- A duplicate Tower Hill policy providing coverage for the same risk exists. A valid Tower Hill policy number must be provided.
- The request to cancel is due to a total loss to the home and the cancellation date is after the total loss.

## *Quoting Process*

Quoting and issuance of policies will only be available through RPM. If you do not have access to our website, please call your Account Manager or General Agent, whichever applies.

In RPM, an accurate quote will be ensured by entering all of the requested information. You will be asked to verify some information about the applicant before reports can be ordered. Disclosures to the insured that third party reports may be ordered will be shown in RPM. You must read the disclosure statement(s) to the insured before proceeding.

## *Payment Plans*

Payment plan availability varies based on the premium of the policy. RPM will only display payment plans that are available based on the policy premium.

<b>Payment Plan</b>	<b>Recurring EFT or Invoice Option</b>	<b>Down Payment %</b>	<b>Remaining Installments*</b>
Full Payment	Both	100.0%	N/A
25% Down, 3 Pay Payment Plan	Both	25.0%	3
Quarterly Payment Plan	Both	40.0%	3
Semi-Annual Payment Plan	Both	60.0%	1
Monthly Payment Plan	EFT Only	16.7%	10

\* A service fee will be assessed for each remaining installments. Late fees, reinstatement fees and insufficient fund fees may apply.



# Contact Us

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## PHONE

**1.888.795.7256**

Monday – Friday, 7am to 6pm EST

*(After hours support for filing claims is handled by a voicemail return service)*

## FAX

1.352.332.9999

## EMAIL

*Sales/Marketing:* Marketing@thspecialty.com

*Customer Service:* CustomerService@thspecialty.com

*Underwriting:* Underwriting@thspecialty.com

## PAYMENT MAILING ADDRESS

Tower Hill Prime Insurance Company, Dept #3165

P.O. Box 2252

Birmingham, AL 35246-3165



**Tower Hill<sup>®</sup>**  
**Specialty**

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*The content of this manual is the proprietary and confidential information of Tower Hill Specialty. No part of this manual may be disclosed in any manner to a third party without the prior written consent of Tower Hill Specialty.*

*Coverage is subject to policy terms, conditions, limitations, exclusions, underwriting review and approval, and may not be available for all risks or in all states. Rates and discounts vary, are determined by many factors and are subject to change. Policies are written by one of the licensed insurers of Tower Hill Insurance Group.*