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Washington Manufactured Home Program Guidelines

Aegis General Insurance Agency

Underwritten by: Homesite Insurance Company | 1 Federal Street, Suite 400, Boston, MA 02110 |

1. Policy Forms and Primary Coverage Limits

DESCRIPTION	POLICY FORM	PRIMARY COVERAGE
Coverage A - Manufactured Home (Open Peril)	HMHWA-1	Min \$5,000 / Max \$250,000
Coverage B – Other Structures (Open Peril)	HMHWA-1	Owner, Seasonal & Rental Optional
Coverage C – Personal Effects (Open Peril)	HMHWA-1	Owner, Seasonal & Rental Optional
Coverage D – Loss of Use	HMHWA-1	10% of Coverage A included (Owner, Seasonal and Rental)
Coverage E – Personal Liability	HMHWA-1 HMHWA-22	Personal Liability (Owner) Premises Liability (Rental & Seasonal) Maximum Liability Limit: \$500,000

2. Eligibility by Occupancies

- a. *Owner Occupied*: a manufactured home that is owner occupied five consecutive months or greater on an annual basis as a full-time, permanent residence by the titled owner.
- b. *Seasonal/Secondary Occupied*: a manufactured home that is used as a seasonal or secondary residence by the titled owner and his/her immediate family.
- c. *Rental Occupied*: a manufactured home that is rented to others. Insurance is provided to protect the interest of the titled owner.

3. Policy Terms

Policies are written for a 12-month term.

4. Application and Binding

All application questions must be fully completed by the producer and the applicant. After the policy is bound and a policy number is issued, the application must be signed by both the producer and the applicant. The application and any supporting documentation must be maintained by the producer.

5. Inspections, Fees, and Minimum Premiums

- a. *Policy Fee:* A policy fee of \$25 is charged for new business and a \$10 policy fee is charged for renewal business. This fee is fully earned and non-refundable.
- b. *Minimum Premiums:* Each policy is subject to a minimum written premium of \$100.
- c. *Installment Plans:* A \$8 service fee is added to all direct bill installment payments. The service fee is reduced to \$2 if installments are paid electronically using automatic payments. The installment fee will not apply to the down payment.
- d. *NSF Fee:* \$25
- e. *Reinstatement Fee:* \$20

6. Billing Plans

- a. Escrow Bill
- b. Full Pay
- c. Three Pay
- d. Five Pay
- e. Eleven Pay

7. Catastrophe Management and Capacity Restrictions

To effectively manage large-scale events, the company may impose restrictions on binding authority. When binding authority is restricted, applications for new policies that meet the restriction criteria will not be accepted by the Company or Underwriting Authority. In addition, requests to change coverage or decrease deductible to existing policies in the restricted area that have the effect of increasing the Company's exposure will not be allowed. Such restrictions will not impact normal policy renewals.

Please be mindful of restrictions when submitting business or requesting changes to existing policies. Aegis will make every attempt to provide timely updates on the company's website as events unfold that trigger restrictions.

8. General underwriting guidelines for all risks submitted

- a. *Applications:* Submitted via www.aegisgeneral.com. The application must be signed by the applicant and the licensed producer, maintained (along with supporting documents) by the producer, and be available upon company request.
- b. *Prior loss history:* Obtained on all submissions as part of the application process.
- c. *Total insured value:* The maximum limit for the Manufactured Home (Coverage A) is \$250,000 and the total exposure for the manufactured home, personal property, and unattached structures is \$400,000.

- d. *Deductible Offerings:*
- i. All Other Perils – All occupancies
 - i. \$500, \$1,000, \$2,500 and \$5,000
- e. *Transfer:* Should ownership transfer mid-term, an application for the new owner must be submitted for approval.
- f. *Valuation/loss settlement:* The Aegis General Portal provides access to Verisk 360 valuation software to determine the unit value. The limit requested should not include the value of land.
- Types of coverages offered:
- i. *Actual Cash Value:* Manufactured Homes must be insured to 100% of the actual cash value. If the manufactured home is a new purchase and is insured for Actual Cash Value (ACV), it should not be insured for more than the purchase price, excluding land.
 - ii. *Replacement cost:* Risks that are 30 years old or newer and are owner, seasonal, or rental occupied are eligible for replacement cost. The unit should be insured for 100% of the current year replacement cost valuation.
 - iii. *Full Repair cost:* Available for Owner Occupied, Seasonal, and Rental units.
- g. *Ownership:* The named insured must be the titled owner of the manufactured home. If the risk is occupied by the named insured on a full-time basis or as a seasonal / secondary home, the applicant must be an individual and the home may not be titled in a business name.
- h. *Additional insured:* It is permissible to extend coverage without an additional premium charge to cover a non-occupant that has a financial interest in the manufactured home to be insured.
- i. *Additional interest:* Additional parties that the insured wants to receive evidence of insurance.
- j. *Personal property:*
- i. *Owner Occupied:* Limits acceptable up to 100% of the value of the manufactured home or \$25,000, whichever is greater.
 - ii. *Seasonal:* Limits acceptable up to 100% of the value of the manufactured home or \$25,000, whichever is greater.
 - iii. *Rental:* \$5,000 maximum limit.
- k. *Scheduled personal property:* All scheduled items require an appraisal newer than 2 years old or a purchase receipt. The maximum limit is \$5,000 per item and \$10,000 aggregate for all categories. Coverage is available for owner occupied units only. Applicants with any prior theft losses over \$500 are not eligible for this coverage.
- l. *Cancellation:* Requests must be received within 30 days of the requested cancellation date. If the initial down payment is not honored by the bank for any reason, the policy will be rescinded, and no coverage will have been provided.
- i. *Company Request:* Cancelled policies are refunded on a pro-rata basis.
 - ii. *Insured Request:* Cancelled policies are refunded on a pro-rata basis.
- m. *Swimming pool:* If there is a swimming pool on the property and it is not surrounded by a fence

that is at least 4' high with a locked gate, the risk would be ineligible for coverage. If the swimming pool has a diving board or slide, the risk would also be ineligible for coverage.

n. *Prior animal bite history:* If the applicant owns or boards any animal that has bitten or caused injury, the risk must be written with the animal injury exclusion signed by the applicant. (Aegis does not underwrite by breed).

o. *Unacceptable risk:*

1. *If the Manufactured Home Is:*

- i. Vacant or unoccupied
- ii. Under construction or renovation
- iii. Condemned
- iv. Without utilities
- v. Used for student housing
- vi. Unacceptable exposure to wildfire (a determination will be run during the quote process) or
- vii. On stilts.

ii. *Supplemental heat sources where:*

- i. There is a kerosene or space heater anywhere on the premises of the manufactured home, including attached and unattached structures.
- ii. The supplemental heat source is the only means of heating the home.
- iii. The supplemental heat source is not Underwriters Laboratory (UL) approved.
- iv. There is a stove that is not 36 inches from the wall or at least 18 inches from the wall with a heat shield that has a one-inch air space between the heat shield and the wall.
- v. There is not at least 18 inches from the top of the stove pipe and the ceiling, combustible side walls or any combustible material.
- vi. There is an exterior flue pipe that does not extend 3 feet from the roof line.

iii. *Physical condition of the Manufactured Home:*

- i. Is not well maintained.
- ii. Is substantially modified from original condition.
- iii. There is any hazardous liability exposure on the premises. This risk may be written without liability coverage.
- iv. There is business conducted on the premises or in the manufactured home or any attached or unattached structure.

iv. *Prior Loss History:* If the applicant had any fire, theft, or liability loss or

- i. 3 or more other losses (1-5 units) in the past three years or
 - ii. 5 or more other losses (6+ unit policies) in the past three years or
 - iii. If they have an open / unresolved loss with a previous carrier.
 - v. *Prior Insurance*: If the applicant has been previously uninsured for more than 90 days.
- o. *Seasonal program*:
 - 1. Scheduled personal property coverage is not available.
 - 2. Maximum personal property is the Coverage A limit or \$25,000, whichever is greater.
 - 3. May purchase additional coverage for Loss of Use.
 - 4. All other underwriting guidelines apply.
- p. *Rental program*:
 - 1. Coverages not available - replacement cost for personal property, golf cart, and scheduled personal property.
 - 2. Maximum personal property limit is \$5,000.
 - 3. Any risk with a supplemental heat source, including wood, coal, pellet, etc. stoves are unacceptable.
 - 4. Up to 12 units may be scheduled on one policy for any applicant.
 - 5. May purchase additional coverage for Loss of Use.
 - 6. All other underwriting guidelines apply.

9. Credits and Surcharges

- a. *Credits*:
 - i. *Claims Free (New & Renewal)*: Applies if applicant has had no claims with over \$500 paid in the past 3 years. Discount applies to owner, seasonal and rental occupancies.
- b. *Surcharges*:
 - i. *Claims Surcharge (New & Renewal Business)*: Applies if the insured has had 2 or more claims with over \$500 paid in the past 3 years. Surcharge applies to owner and seasonal occupancies.
 - ii. *Supplemental Heating Source*: Applies when there is a supplemental heating source in the manufactured home.
 - iii. *Occasional Rental*: Applies to owner and seasonal manufactured homes that are occasionally rented to others.
 - iv. *Prior Lapse Surcharge*: Applies to risks with more than a 7-day lapse in coverage. Surcharge applies to owner, seasonal and rental occupancies.

10. Forms List

MANDATORY FORMS	FORM #	REV. DATE	OCCUPANCY
Declarations Pages	HMHDEC	(01/20)	ALL
Policy Jacket	HMHWA-1	(01/20)	ALL
Signature Endorsement	HMHWA-2	(01/20)	ALL
Home Day Care Exclusion	HMHWA-12	(01/20)	O/S/R
Water Damage Coverage	HMHWA-158	(01/20)	O/S/R
Premises Liability – Fungi, Wet or Dry Rot, or Bacteria Exclusion	HMHWA-159	(01/20)	S/R
Limited Fungi, Wet or Dry Rot or Bacteria Coverage – Property	HMHWA-163	(01/20)	O/S/R
Personal Liability – Fungi, Wet or Dry Rot, or Bacteria Exclusion	HMHWA-164	(01/20)	O
U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders	OFAC	(01/20)	ALL
OPTIONAL FORMS	FORM #	REV. DATE	OCCUPANCY
Lenders Loss Payable Endorsement	HMHWA-4	(01/20)	ALL
Vacancy Permission	HMHWA-5	(01/20)	O
Seasonal Home	HMHWA-6	(01/20)	S
Scheduled Personal Property	HMHWA-8	(01/20)	O
Personal Property Replacement Cost	HMHWA-10	(01/20)	O/S
Replacement Cost Lost Settlement	HMHWA-17	(01/20)	O/S/R
Premises Liability	HMHWA-22	(01/20)	S/R
Occasional Rental	HMHWA-26	(01/20)	O/S
Full Repair Cost	HMHWA-27	(01/20)	O/S/R
Animal Liability Exclusion	HMHWA-51	(01/20)	O
Specific Building – Structure Exclusion	HMHWA-80	(01/20)	O/S/R
Golf Cart Physical Damage and Liability Extension	HMHWA-193	(01/20)	O/S
Replacement Cost Coverage Removal Notice	CW NOTICE (1) WA	(01/20)	O/S/R
Notice of Cancellation or Non-Renewal	ODEN Notice		ALL
Reinstatement Notice	RN-01		ALL