



USP PORTFOLIO NEW HAMPSHIRE: UNDERWRITING GUIDELINES

Denotes Change

AUTO RISK PROFILE – NEW HAMPSHIRE

Underwriting Characteristics	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7	Tier 8	Tier 9
Insurance Score	IBS GROUP I-II	IBS GROUP I-II	IBS GROUP III-V	IBS GROUP I-II	IBS GROUP III-V	IBS GROUP VI-VII	IBS GROUP I-V	IBS GROUP VI-VIII	IBS GROUP IX
Driver Experience Years Licensed*	Principal/Occasional Drivers > 9 years	Principal/Occasional Drivers > 5 years		Named Insured must be licensed at least 5 years		Named Insured licensed > 5 years recommended		Principal/Occasional Drivers > 9 years	
At-Fault Accident	0	0		0 for drivers with < 5 years experience; 1 for drivers with 5+ years experience		1		0	
Minor Violations	0	1		1 for drivers with < 5 years experience; 2 for drivers with 5+ years experience		2		0	
Maximum Household Incidents**	0	3		3		3		0	
Major Violations (5 Year History)	0								0 (3 Year History)
Vehicle Type	Restricted Vehicles*** Restricted Vehicle List Ineligible. Sports/Specialty**** Sports/Specialty list: Driver must be licensed 9 or more years.					Restricted/Specialty Vehicles not Recommended		See Tiers 1-6	
Comprehensive Losses	Number of comprehensive losses greater than the number of vehicles or total theft losses must be referred to underwriting.								

*Policy ineligible unless all operators have held a valid US or Canadian license during the past 12 months. All operators must have a valid US license. International drivers' licenses may be accepted until the applicant is eligible for a New Hampshire license. All household members must meet the minimum Encompass Insurance guidelines even if insured elsewhere for policy to be eligible. Spouse in household insured elsewhere makes household ineligible.

**Incident includes all violations and at-fault accidents (regardless of amount paid). 3-year history considered for accidents & minor violations.

*** **Restricted Vehicles:** Aston Martin, Avanti, Bentley, Bricklin, Cobra, DeLorean, Dodge Viper, Excalibur, Ferrari, Hummer, Jenson Interceptor, Lamborghini, Lancia Scorpion, Lotus, Maserati, Morgan, Pantera, Rolls Royce, TVR, Zimmer, Kit Cars and Vehicles Modified for Performance.

******Sports/Specialty Vehicles:** Acura NSX, AMC Jeep CJ Series, AMC Wrangler, Buick GNX, Buick Grand National, Chevrolet Camaro Z28 Iroc/ Chevrolet Corvette, Dodge Stealth, Eagle Talon TSI, Ford Mustang SVO/GT/5.0 liter, GMC Cyclone/Typhoon, Hyundai - all models, Kia Sephia, Mazda RX-7, Mitsubishi 3000GT/Eclipse/Mirage, Nissan 300ZX Turbo, Plymouth Laser RS Turbo, Plymouth Prowler, Pontiac Trans-Am/ Formula, Porsche - all models, Suzuki Samurai, Suzuki Sidekick, Toyota Supra Turbo/MR-2, Yugo.

PROPERTY RISK PROFILE - NEW HAMPSHIRE

UNDERWRITING CHARACTERISTICS	Tier A	Tier B	Tier C	Tier D	Tier E Renewals Only	Tier F Renewals Only	Tier G Renewals Only
	IBS GROUP I	IBS GROUP I	IBS GROUP II	IBS GROUP III-V	IBS GROUP VI-IX	No Score	No Hit
Loss Activity Maximum No liability losses are allowed in the past 3 years for new business in any tier.	Zero	One	One	One	N/A	N/A	N/A
Coastal Exposures*	Dwellings located <1500 feet from shore, less than 15 feet above mean high tide or Island exposures ineligible. Refer to PLG for complete underwriting guidelines.						
Deductibles	Minimum \$500						
Protection Class	Must be PC 1 - 9. PC 10 is ineligible.						
Number of Families	Owner occupied = 1 to 2 families.....Rented to Others = 1 to 4 families. Rentals: Maximum of 4 locations with a maximum of 4 units per location. Encompass Insurance must write the supporting Homeowners						
Maintenance	Well-maintained. Must have updated roof, electrical, heating and plumbing within the last 25 years.						
Central Alarms	Must have for <i>Dwelling</i> - \$750,000 for PC 1-8 Dwellings or \$600,000 for PC 9; <i>Condo/Tenant</i> - >\$250,000; <i>SPP</i> - >\$300,000.						
Woodstove	Must be professionally installed Cannot be the primary heat source. Company questionnaire completed and retained by agent.						
Refer to Underwriter (Do not bind coverage)	<ul style="list-style-type: none"> - Homes under Construction or Major Renovation - Business on Premises (Refer to PLG for complete underwriting guidelines. Must be endorsed with the related business endorsement.) - Log Homes (Refer to PLG for complete underwriting guidelines.) 						
Ineligible Exposures	<ul style="list-style-type: none"> - Mobile Home - Open Foundations - Protection Class 10 - Vicious, Temperamental or Exotic Pets - Animals with a bite history - Trampolines - Underground Oil Tanks 						
SPP	Must have an appraisal for each item valued >\$50,000. Copy retained by agent.						
Boats	Must be < \$125,000 current book value, < 40 ft. length, & < 56 mph. Must meet auto operator requirements and have 2 years boat experience. With supporting auto or home coverage.						
Personal Watercraft	Jet Skis and waverunners are ineligible.						

SEE PERSONAL LINES GUIDE FOR COMPLETE LIST OF "REFER TO UNDERWRITER" & "INELIGIBLE" EXPOSURES

Values MUST be written at 100% of replacement cost.

Primary Residence			Rented to Others Dwelling Fire Segment Only***		
	Minimum	Maximum**	Non-Owner Occupied	Minimum	Maximum
Owner Occupied	\$80,000	PC 1-8 (\$3,000,000) PC 9 (\$600,000)	1 Family Dwelling	\$75,000	\$300,000
Secondary/Seasonal	\$40,000	\$300,000	2-4 Family Dwelling	\$100,000	\$300,000
Condo/Coop/Renters (Primary)	\$30,000	\$300,000	Condo	\$5,000 Contents	\$50,000 Contents
Condo/Coop/Renters (Secondary)	\$30,000	\$300,000			

**Homes > \$1,000,000 must be referred to the Underwriter. If written, must be on Elite with a minimum deductible of \$1,000.

***Encompass Insurance must write supporting Homeowners.

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We recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate.

GENERAL

A. INTRODUCTION

The Universal Security Policy (USP) Portfolio is a group of products that is anchored by our current USP package policy. USP Portfolio allows for the building of a policy based on the exposure segments. Within Encompass Insurance's Portfolio, there are two types of new business:

- USP Package
- USP Segment

USP package contains both an eligible motor vehicle and a home segment. USP segment contains one or more segment combinations including auto, home, dwelling fire or boat.

The binding guidelines, like all such guidelines, are incapable of being exhaustive, comprehensive or responsive to every individual situation or their possible combinations. These rules are designed to give you an indication of the level of quality business expected by segment.

We are interested in writing insureds who exhibit care and responsibility with regard to driving abilities; loss history; condition, use and protection of their property; and financial and credit history (insurance bureau scoring).

B. DEFINITION OF USP POLICIES RECEIVING PACKAGE RATE

A USP policy receives the package rate when the policy contains an eligible motor vehicle and home.

- Motor vehicle = private passenger vehicle, pickup, or van, with primary liability*
and
- Home = primary dwelling, condo or rental to insured (renters) with primary liability and property coverage written on the Home Segment.
- Other segments can be added as well

*Antique autos and motor homes meet definition of eligible motor vehicle if no other owned private passenger auto or on a commercial policy.

C. GENERAL REQUIREMENTS

- Underwriting must be notified of all personal lines exposures to be written on a USP Portfolio segment or package. If you and your underwriter agree that a particular vehicle, property, etc., would jeopardize the profitability and standards of this program, it may be excluded from coverage by endorsement if the account is written, provided the exclusion endorsement is available in your state, and the company approves.
- Each USP package policy by the first anniversary must consist of primary coverage on at least one owned, leased, or corporately owned or furnished private passenger automobile, and an owned or leased primary premises.
- All motor vehicles must be licensed in the U.S.A. and all properties must be located in the U.S.A., whether covered for liability or physical damage.

D. INSURANCE INTEREST

1. Policies must be in the name of an individual or individual and spouse.
2. The named insured(s) must be the registered owner(s) of all vehicles to be insured on the policy
3. We must insure all 4-wheel private passenger autos, pick-up's or vans owned by the named "other than antique vehicles"
4. All property must be owned or leased by the Named Insured or jointly with another resident of the household.

Our contracts, pricing and underwriting are not designed to provide coverage for Corporation, LLC-Limited Liability Companies, LLP-Limited Liability Partnership, Partnerships or Public Entities. As such they are not to be listed as Named Insured, Additional Insured or Additional Interest with the following **exceptions**:

LLC – Limited Liability Companies and Limited Liability Partnerships (LLP) May be added as an Additional Interest provided the LLC is solely owned by no one other than our insureds, or our insureds and their relatives, whether or not those relatives are members of the insured's household.

- **Corporations** may be added as an Additional Interest provided they are chartered as a Trust, their by-laws specify that they exist as a family trust, and they have no commercial activities. The trustee and the occupant of the property must be the same individual(s). For automobiles, the trustee and the operator of the vehicles must be the same individual(s). Spouse and resident children may also operate the vehicles.
- **Life Estate, Life Tenancy, Life Interest, Joint Tenancy with Right of Survivorship, Inc.,** are all legal terms that are used to define the disposition of property at the time of an individual's death. The policy should be written in the name of the individual with the legal entity as an Additional Interest.
- **Trusts** are not to be listed as Named Insured, but can be added as an Additional Interest if the donor, the trustee and the occupant of the home are the same individual.
- **"Estate of"** is another legal term and should not be listed as the Named Insured. Policy provisions provide the appropriate coverage to the Estate automatically when the insured passes during the policy term. There will be occasions when the policy renews soon after the insured passes and we are asked to continue coverage until the estate is settled. Each case must be individually evaluated and under the right circumstances, we can renew the policy in the deceased individual's name and list the "Estate of" as the Additional Interest. Factors to be considered are how long the property will likely be vacant, the oversight and management of the property, how long we have provided coverage, our experience on the risk and the agent's control of the account.

E. APPLICATIONS

New business must be submitted to the company electronically, either through an agency management system, such as Applied, AMS for Windows, APT SAM or Exchange. The uploaded application must be fully completed. A copy of the uploaded application must be signed and dated by the Named Insured and the agent and maintained in the agency's file. The signature date must not be beyond the effective date of the policy. The company must receive the uploaded application within 10 days of the effective date.

F. LIMITS OF LIABILITY

All underlying exposures covered by the USP Portfolio policy, but for which Personal Umbrella is desired, must have personal liability limits of \$100/300/100 or \$300,000.

G. SEVERE WEATHER BINDING AUTHORITY

No new coverage or increase to existing coverage may be bound on any risk or exposure located in an area for which a hurricane, tornado or other severe weather watch or warning has been posted. Authority to bind is reinstated after the storm and threat of damage has passed.

H. EARTHQUAKE BINDING AUTHORITY

For 5 days following an earthquake of 4.0 or greater on the Richter Scale, no new USP policy may be bound and no endorsement adding coverage or increasing property coverage limits may be bound. This moratorium applies to all counties in which earthquake damage occurred, and all immediately adjacent counties, and is automatically extended for an additional 5 days following any aftershock of 3.0 or greater.

Effective 03/06/2006, Earthquake coverage is no longer available for either New Business or as an added endorsement to existing business.

I. REFER TO COMPANY

- Property, if replacement value for the dwelling exceeds \$1,000,000. (The application for coverage should be submitted non-bound at least 20 days prior to the effective date to allow the company sufficient time to underwrite the exposure.)
- When the insured or any covered person has had any personal property or casualty insurance canceled, declined or non-renewed for any underwriting reason within the last 3 years.

J. ADDITION OF NEW SEGMENTS

New segments added to existing segments are underwritten as a new exposure, subject to underwriting binding standards and requirements as outlined in the applicable underwriting section.

K. DOCUMENTATION (TRAILING DOCUMENTS)

Agents are required to retain the original of specific legal and administrative documents on behalf of the company and are contractually required to provide the company with copies when requested. These documents may be required for Market Conduct Exams, Insurance Department inquiries, claims coverage questions and rate justification. New business and endorsement transactions will be subject to random company audits. InterLink will select specific policies and identify for the agent, those documents that must be faxed to Encompass for audit purposes.

Failure to send the required documents to Encompass may result in loss of discounts/coverage, coverage increases, re-tiering of an account or termination of a policy. Additionally, it remains the agent's responsibility to maintain copies of all **required** trailing documents, whether or not selected for audit. A current list of these trailing documents can be found on the Agency Desktop located at:

http://www.encompassinsurance.com/foragents/content/references/trailing_documents.pdf

(NEW) PRIVATE PASSENGER AUTO**A. DEFINITIONS**

“Incident” - Any at-fault accident (regardless of amount paid) or violation.

B. TIERING REQUIREMENTS**1. Tier 1**

- a. Principal or occasional drivers assigned to the vehicle must have 9 or more years driving experience.
- b. Financial stability = IBS Group I or II as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 0 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 0 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.
- h. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- i. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

2. Tier 2

- a. Principal or occasional drivers assigned to the vehicle must have 5 or more years driving experience.
- b. Financial stability = IBS Group I or II as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 1 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.
- h. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- i. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

3. Tier 3

- a. Principal or occasional drivers assigned to the vehicle must have 5 or more years driving experience.
- b. Financial stability = IBS Group III, IV or V as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 1 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

- h. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- i. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

4. Tier 4

- a. Named insured must be licensed at least 5 years.
- b. Financial stability = IBS Group I or II as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 1.
 - For drivers with less than 5 years driving experience = 0.
- d. Maximum number of minor violations **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 2.
 - For drivers with less than 5 years driving experience = 1.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- g. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- h. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.
- i. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- j. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

5. Tier 5

- a. Named insured must be licensed at least 5 years.
- b. Financial stability = IBS Group III, IV or V as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 1.
 - For drivers with less than 5 years driving experience = 0.
- d. Maximum number of minor violations **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 2.
 - For drivers with less than 5 years driving experience = 1.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.
- h. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- i. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

6. Tier 6

- a. Named insured must be licensed at least 5 years.
- b. Financial stability = IBS Group VI or VII as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 1.
 - For drivers with less than 5 years driving experience = 0.
- d. Maximum number of minor violations **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 2.
 - For drivers with less than 5 years driving experience = 1.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.
- h. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- i. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

7. Tier 7

- a. Financial stability = IBS Group I, II, III, IV or V as measured via AIAP Scored Credit.
- b. Maximum number of at-fault accidents **per vehicle** = 1 in the last 3 years.
- c. Maximum number of minor violations **per vehicle** = 2 in the last 3 years.
- d. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- e. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- f. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

8. Tier 8

- a. Financial stability = IBS Group VI, VII or VIII as measured via AIAP Scored Credit.
- b. Maximum number of at-fault accidents **per vehicle** = 1 in the last 3 years.
- c. Maximum number of minor violations **per vehicle** = 2 in the last 3 years.
- d. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- e. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- f. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

9. Tier 9

- a. Principal or occasional drivers assigned to the vehicle must have 9 or more years driving experience.
- b. Financial stability = IBS Group IX as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 0 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 0 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 3 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.
- h. Restricted vehicles are ineligible (refer to D in this section for list of applicable vehicles).
- i. Sports/Specialty vehicles are ineligible for drivers licensed less than 9 years (refer to Section E).

C. GENERAL REQUIREMENTS

1. Any resident in a high profile profession susceptible to personal injury type claims such as libel and slander may not be bound. Such professions include but are not limited to politicians, professional athletes, celebrities, and other high profile individuals.
2. Health - If any operator's ability to operate a vehicle has been impaired in any way because of a condition or medication, coverage may not be bound. (Compensated handicaps are permitted).
3. Use - Racing, stunt, demolition and delivery (magazine, newspaper, pizza or mail) is ineligible for any tiering plan.
4. Replacement Cost Guarantee -- (This coverage may be purchased on new previously unregistered automobiles, model year of vehicle can not be more than 4 years older than current model year.) The following types of vehicles are ineligible for this coverage:
 - a. Vans (other than passenger mini-vans), pickups or any vehicle designed for off-road use.
 - b. Motorhomes, motorcycles or recreational vehicles.
 - c. Leased automobiles.
 - d. Any vehicle on the restricted vehicle list and/or valued in excess of \$150,000.
5. Personal Umbrella - See Section VII for Personal Umbrella Underwriting Guides.
6. All operators must have held a valid US or Canadian license.

D. RESTRICTED VEHICLES

ASTON MARTIN	KIT CARS
AVANTI	LAMBORGHINI
BENTLEY	LANCIA SCORPION
BRICKLIN	LOTUS
COBRA	MASERATTI
DELOREAN	MORGAN
DODGE VIPER	PANTERA
EXCALIBUR	ROLLS ROYCE
FERRARI	TVR
HUMMER	ZIMMER
JENSON INTERCEPTOR	MODIFIED VEHICLES

E. SPORTS/SPECIALTY VEHICLES

ACURA NSX	KIA SPORTAGE 2 DOOR
BMW Z8/M3/M5	MAZDA RX-7
BUICK GNX (1988)/GRAND NATIONAL	MITSUBISHI ECLIPSE GSX TURBO/3000GTI
CAMARO Z-28/SS	NISSAN 300ZX TURBO
CHEVROLET CORVETT/IROC-Z	JAGUAR XK
CHRYSLER/AMC JEEP CJ SERIES/WRANGLER	PLYMOUTH LASER RS TURBO/PROWLER
DODGE STEALTH R/T TURBO	PONTIAC FORMULA/TRANS AM
EAGLE TALON TSI	PORSCHE-ALL MODELS
FORD MUSTANG SVO/SVT/GT/5.0 LITER	SUZUKI SAMURAI/SIDEKICK/VITARA 2 DOOR
GEO TRACKER	TOYOTA MR-2 SUPERCHARGED/SUPRA TURBO
GMC CYCLONE/TYPHOON	

Risks will be renewed mechanically prior to each renewal in accordance with our uptiering and dowering rules. Any changes occurring during the current term may impact tiering at renewal. If an exposure is added or deleted mid-term that impacts tiering, the re-tiering will be done at the time of the change.

A current financial credit report will be ordered at a minimum every three years.

(RENEWAL) PRIVATE PASSENGER AUTO

A. DEFINITIONS

“Incident” - Any at-fault accident (regardless of amount paid) or violation.

B. TIERING REQUIREMENTS

1. Tier 1

- a. Principal or occasional drivers assigned to the vehicle must have 9 or more years driving experience.
- b. Financial stability = IBS Group I or II as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 0 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 0 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

2. Tier 2

- a. Principal or occasional drivers assigned to the vehicle must have 5 or more years driving experience.
- b. Financial stability = IBS Group I or II as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 1 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

3. Tier 3

- a. Principal or occasional drivers assigned to the vehicle must have 5 or more years driving experience.
- b. Financial stability = IBS Group III, IV or V as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 1 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

4. Tier 4

- a. Named insured must be licensed at least 5 years.
- b. Financial stability = IBS Group I or II as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 1.
 - For drivers with less than 5 years driving experience = 0.
- d. Maximum number of minor violations **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 2.
 - For drivers with less than 5 years driving experience = 1.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

5. Tier 5

- a. Named insured must be licensed at least 5 years.
- b. Financial stability = IBS Group III, IV or V as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 1.
 - For drivers with less than 5 years driving experience = 0.
- d. Maximum number of minor violations **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 2.
 - For drivers with less than 5 years driving experience = 1.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

6. Tier 6

- a. Named insured must be licensed at least 5 years.
- b. Financial stability = IBS Group VI or VII as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 1.
 - For drivers with less than 5 years driving experience = 0.
- d. Maximum number of minor violations **per vehicle** in the last 3 years, as follows:
 - For drivers with 5 or more years driving experience = 2.
 - For drivers with less than 5 years driving experience = 1.
- e. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

7. Tier 7

- a. Financial stability = IBS Group I, II, III, IV or V as measured via AIAP Scored Credit.
- b. Maximum number of at-fault accidents **per vehicle** = 1 in the last 3 years.
- c. Maximum number of minor violations **per vehicle** = 2 in the last 3 years.
- d. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- e. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- f. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

8. Tier 8

- a. Financial stability = IBS Group VI, VII or VIII as measured via AIAP Scored Credit.
- b. Maximum number of at-fault accidents **per vehicle** = 1 in the last 3 years.
- c. Maximum number of minor violations **per vehicle** = 2 in the last 3 years.
- d. Maximum number of **household** incidents on the policy = 3 in the last 3 years.
- e. Maximum number of major violations for **all** drivers on the policy = 0 in the last 5 years.
- f. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

9. Tier 9

- a. Principal or occasional drivers assigned to the vehicle must have 9 or more years driving experience.
- b. Financial stability = IBS Group IX as measured via AIAP Scored Credit.
- c. Maximum number of at-fault accidents **per vehicle** = 0 in the last 3 years.
- d. Maximum number of minor violations **per vehicle** = 0 in the last 3 years.
- e. Maximum number of **household** incidents on the policy = 0 in the last 3 years.
- f. Maximum number of major violations for **all** drivers on the policy = 0 in the last 3 years.
- g. Number of comprehensive losses greater than the number of vehicles on the policy and total theft losses must be referred to underwriting.

C. GENERAL REQUIREMENTS

1. Any resident in a high profile profession susceptible to personal injury type claims such as libel and slander may not be bound. Such professions include but are not limited to politicians, professional athletes, celebrities, and other high profile individuals.
2. Health - If any operator's ability to operate a vehicle has been impaired in any way because of a condition or medication, coverage may not be bound. (Compensated handicaps are permitted.)
3. Use - Racing, stunt, demolition and delivery (magazine, newspaper, pizza or mail) is ineligible for any tiering plan.
4. Replacement Cost Guarantee - (This coverage may be purchased on new previously unregistered automobiles, model year of vehicle can not be more than 4 years older than the current model year.) The following types of vehicles are ineligible for this coverage:
 - a. Vans (other than passenger mini-vans), pickups or any vehicle designed for off-road use.
 - b. Motorhomes, motorcycles or recreational vehicles.
 - c. Leased automobiles.
 - d. Any vehicle on the restricted vehicle list and/or valued in excess of \$150,000.
5. Personal Umbrella - See Section VII for Personal Umbrella Underwriting Guides.
6. All operators must have held a valid US or Canadian license.

D. RESTRICTED VEHICLES

ASTON MARTIN	KIT CARS
AVANTI	LAMBORGHINI
BENTLEY	LANCIA SCORPION
BRICKLIN	LOTUS
COBRA	MASERATTI
DELOREAN	MORGAN
DODGE VIPER	PANTERA
EXCALIBUR	ROLLS ROYCE
FERRARI	TVR
HUMMER	ZIMMER
JENSON INTERCEPTOR	MODIFIED VEHICLES

E. SPORTS/SPECIALTY VEHICLES

ACURA NSX	KIA SPORTAGE 2 DOOR
BMW Z8/M3/M5	MAZDA RX-7
BUICK GNX (1988)/GRAND NATIONAL	MINI COOPER
CAMARO Z-28/SS	NISSAN 300ZX TURBO
CHEVROLET CORVETT/IROC-Z	JAGUAR XK
CHRYSLER/AMC JEEP CJ SERIES/WRANGLER	PLYMOUTH LASER RS TURBO/PROWLER
DODGE STEALTH R/T TURBO	PONTIAC FORMULA/TRANS AM
EAGLE TALON TSI	PORSCHE-ALL MODELS
FORD MUSTANG SVO/SVT/GT/5.0 LITER	SUZUKI SAMURAI/SIDEKICK/VITARA 2 DOOR
GEO TRACKER	TOYOTA MR-2 SUPERCHARGED/SUPRA TURBO
GMC CYCLONE/TYPHOON	

MISCELLANEOUS VEHICLES

A. OPERATOR REQUIREMENTS

Miscellaneous vehicle types must meet operator requirements outlined in Section II, Private Passenger Auto

B. MISCELLANEOUS VEHICLE TYPES

	MOTOR HOMES	RECREATIONAL VEHICLES
1. Refer if:	a. Base sticker price over \$200,000	a. Value over \$10,000 b. ATV
2. Ineligible if:	a. Used as a residence (other than on vacation) b. Not factory built c. In poor mechanical condition or damaged	a. Not factory built b. Used in racing, stunt, speed or demolition activity c. Designed for use in the air d. Driven by a person under 16

HOME

A. OCCUPANCY

With the exception of renters coverage, only owner occupied risks are eligible. Property rented to or used by others should be written on a dwelling fire segment. (Refer to Section V, Dwelling Fire.) Liability only coverage for property rented to others or a seasonal/secondary home, can be extended from a homeowner segment.

B. INSURANCE-TO-VALUE PROGRAM

All new business must be written for at least 100% replacement cost. In order to help keep up with current costs, residence/dwelling, condo and renter limits are typically adjusted annually at renewal. Limits for these coverages will not be reduced without the policyholder's consent.

Our program is based on all dwellings being properly insured to their full replacement value. Using information and factors obtained from recognized leaders in the residential appraisal field, we have developed a viable Insurance-to-Value program.

Documentation of replacement cost valuation is required on all new business. The replacement cost must be calculated using an acceptable methodology as determined by us.

If there is a difference between the replacement value indicated by our approved methodology and the insured, the Basic Replacement Cost endorsement (G-18737) is available and limits coverage to the dwelling amount shown on the Coverage Summary.

Risks with unacceptable inspection results are ineligible.

C. PRIOR INSURANCE

Prior standard insurance is required.

D. Binding Guidelines (Refer exceptions to your Underwriter nonbound).

DWELLINGS	PRIMARY OWNER OCCUPIED 1 OR 2 FAMILY	SEASONAL/SECONDARY OWNER OCCUPIED 1 OR 2 FAMILY	CONDO/COOP/RENTERS OWNER OCCUPIED 1 FAMILY
VALUE	Minimum \$80,000 Maximum (P.C. 1-8) \$3,000,000 Maximum (P.C. 9) \$600,000 Over \$750,000 refer to Underwriter	Seasonal Minimum \$40,000—Maximum \$300,000 Secondary Minimum \$40,000—Maximum \$300,000 Over \$750,000 refer to Underwriter	Primary Minimum \$30,000—Maximum \$300,000 Secondary Minimum \$30,000—Maximum \$300,000 Over \$200,000 refer to Underwriter
PROTECTION CLASS	No Protection Class 10		
LOSS ACTIVITY (Last 3 years)	0 Liability Losses 1 loss of any type (including Cat)		
ROOF, ELECTRICAL HEATING PLUMBING	Well maintained. Must have updated roof, electrical and heating within the last 25 years		
WOODSTOVE	Ineligible as primary heat source or if self installed Completion of our Woodstove Questionnaire (Form G57872) Required		
COASTAL AREAS	Refer Atlantic or Gulf coast property not in your domiciled state. > 1500 feet from shore > 15 feet mean high tide No property in Louisiana within 30 miles of any body of water can be bound by a non-resident agent		
CENTRAL STATION ALARMS	Required if any of the following conditions apply: — Replacement Cost exceeds \$750,000 for PC 1-8; \$600,000 for PC 9 dwellings. — Contents exceed \$250,000 in any one location. — Total Scheduled Personal Property exceeds \$300,000. — Located in city over 400,000 population with no daily occupancy.		
FINANCIAL STABILITY	"IBS Group VI, VII and VIII (credit history) are ineligible.		
DEDUCTIBLES	Minimum \$500		

E. TIERING REQUIREMENTS

1. General Tier Rating Rules

Tiering applies to primary and secondary dwellings and condos, and primary renters. Tiering does not apply to dwelling fire or liability policies. For multiple residence policies, each residence is tiered separately.

A current financial credit report will be ordered at a minimum every three years.

2. Tier A

- a. Maximum number of losses (with a \$1 paid threshold), including a PCS designated CAT loss = 0 in the last 3 years. Risks with a Liability loss should not be submitted.
- b. Financial Stability = IBS Group I
- c. Protection Class = 1 – 9.

3. Tier B

- a. Maximum number of losses (with a \$1 paid threshold), including a PCS designated CAT loss = 1 in the last 3 years. Risks with a Liability loss should not be submitted.
- b. Financial Stability = IBS Group I
- c. Protection Class = 1 – 9.

4. Tier C

- a. Maximum number of losses (with a \$1 paid threshold), including a PCS designated CAT loss = 1 in the last 3 years. Risks with a Liability loss should not be submitted.
- b. Financial Stability = IBS Group II
- c. Protection Class = 1 – 9.

5. Tier D

- a. Maximum number of losses (with a \$1 paid threshold), including a PCS designated CAT loss = 1 in the last 3 years. Risks with a Liability loss should not be submitted.
- b. Financial Stability = IBS Group III, IV or V.
- c. Protection Class = 1 – 9.

6. Tier E (Renewals with Effective Dates of October 1, 2002 and Subsequent Only)

- a. Financial Stability = IBS Group VI-IX.
- b. Protection Class = 1 – 9.

7. Tier F (Renewals with Effective Dates of October 1, 2002 and Subsequent Only)

- a. Financial Stability = No Insurance Bureau Score (not enough credit report information to develop a score).
- b. Protection Class = 1 – 9.

8. Tier G (Renewals with Effective Dates of October 1, 2002 and Subsequent Only)

- a. Financial Stability = No Insurance Bureau Score Hit (inaccurate or insufficient information from Choicepoint).
- b. Protection Class = 1 – 9.

F. ADDITIONAL RENTERS BINDING GUIDELINES

The binding guidelines for Renters coverage will be the same as for condominiums, with the following additional criteria:

Security

- All unit entry doors must have dead bolt locks.
- Buildings over 2 stories must have enclosed stairwells and no exterior fire escapes.
- Buildings with lobbies must have 24 hour security, or buzzer system on lobby entrance doors.
- Where unscheduled contents are valued at over \$200,000, a Central Station Fire and Burglary Alarm System is required.

Scheduled Personal Property

- Schedules exceeding 50% of the unscheduled property limit should be discussed with your underwriter, or submitted non-bound for review.
- Security devices required as follows:
 - Scheduled jewelry \$50,000-\$100,000 aggregate.
Requires UL approved safe on premises that is secured through floor or wall, with at least 1 hour fire resistive rating and a combination lock.
 - Over \$100,000 aggregate scheduled property
 - Central Station Burglary and Fire Alarm System is required.

Vehicles written in conjunction with Renters Coverage. (Not applicable to Encompass Insurance Policies where Encompass Insurance already insures the automobile exposure).

- In cities of 400,000 population or more, garaging of all vehicles is required at night.
- In cities under 400,000, off street parking is required at night.

G. "REFER TO COMPANY" GUIDELINES

Please call or submit the following non-bound:

1. Dwellings
 - a. Converted to dwelling purposes from another use.
 - b. Relocated dwellings.
 - c. With any roomers or boarders.
 - d. Within 100 feet of a commercial or industrial property.
 - e. With market value (excluding land) of under 70% of current replacement cost.
 - f. Open foundations.

- g. Where business conducted on premises.
- h. Rental dwellings located over 100 miles from primary home.
- i. Converted to increase the number of families.
- j. More than three stories.
- k. With supplemental heating by coal or kerosene stoves or multiple space heaters.
- l. Dwellings under major renovation (25% or more increase in home value) or under course of construction.
- m. Log Homes

H. INELIGIBLE EXPOSURES

- 1. Structures
 - a. Mobile/Manufactured homes.
 - b. Basement homes.
 - c. Boat houses as primary residences.
 - d. Dwellings in poor condition, with unrepaired damage or below average maintenance.
 - e. Number of families exceed number of units.
 - f. Vacant buildings.
 - g. In known flood, wavewash, sinkhole, pollution, landslide or cave-in area.
 - h. Within 1,000 ft. of brush area.
 - i. Premises with vicious, temperamental or exotic animals or there is a history of a bite from any domestic animal in the household.
 - j. True farming exposures, where a substantial portion of income derived from farming activities.
 - k. Premises with trampolines.
 - l. Premises with underground oil/fuel tanks.
 - m. Properties located on unpaved roads, or roads not passable in all seasons.
- 2. Construction
 - a. Dwellings without central heating, unless in warm climate or seasonal dwelling.
 - b. Where any part of structure rests on piers or pilings.
 - c. Unapproved roofs including roll tar paper, tin, aluminum and wood (other than treated cedar shake).
 - d. Construction done by owner, unless a professional licensed contractor. (Includes wiring, heating, and plumbing.)
 - e. Swimming pools not in compliance with local codes or ordinance. Must have adequate safety precautions taken to eliminate liability exposure.
 - f. Without modern and adequate electrical service, plumbing, or heating system.
 - g. Dwellings of obsolete, unique, or irreplaceable construction.

I. SCHEDULED PERSONAL PROPERTY

1. Any class, including blanket coverage and scheduled coverage, exceeding the following limits must be submitted nonbound.

Class	Aggregate
Jewelry	\$150,000
Fine Arts	150,000
Furs	75,000
Silverware	75,000
Cameras	30,000
Stamps	30,000
Coins/Collectibles/Trading Cards	30,000
Musical Instruments	30,000
Golfer's Equipment	20,000
Other	Refer to company

2. For scheduled classes, any single jewelry item exceeding \$50,000 or \$25,000 for fine arts, must be submitted non-bound.
3. Any schedule exceeding \$100,000 in total value, blanket and scheduled, must be submitted non-bound.
4. Schedules for the following should be submitted non-bound.
 - a. Known collectors, dealers, exhibitors.
 - b. Persons who travel excessively.
 - c. Persons in the "Public Eye" i.e., celebrities, professional athletes.
 - d. Items located in dwellings other than primary residences.
5. Appraisal Requirements
Appraisals are required for all scheduled items valued at \$50,000 or more. All appraisals are to be retained by the agent.

J. PERSONAL UMBRELLA

1. Coverage is available as an endorsement to a primary home.
2. See Section VII for Personal Umbrella Underwriting Guidelines.

K. LOG HOMES

Only log homes that meet the following are eligible:

1. Built 1977 or later
2. Split log construction
3. Protection class 1-8. (Note: PC 9 can be considered. Please complete an Unprotected Property Supplement and forward to Underwriting for review).

Meet all other Encompass Insurance property guidelines

L. COURSE OF CONSTRUCTION – MAJOR RENOVATION – ELIGIBILITY

Dwellings under major renovation (25% or more increase in home value) or under course of construction: the following must be considered prior to referring:

1. Current home should be within 50 miles to ensure oversight on the part of the insured.
2. Home should be written at completed value. Maximum completed value for a course of construction exposure is \$1,000,000.
3. Minimum deductible \$1,000.
4. Insured cannot be acting as general contractor.
5. A certificate of insurance should be provided by the general contractor reflecting limits of at least 1.5 times the completed value, or \$500,000, whichever is greater, including general liability and workers compensation insurance.
6. Home must be located in protection class 1 through 8. Protection class 9 exposures will be considered; but must complete Unprotected Property Supplement for any home not located within 1,000 feet of a municipal hydrant.
7. Home should generally be completed and occupied within 180 days. Higher valued homes should be completed within one year. For homes where the anticipated completion date is greater the 6 months, an interim drive-by inspection will be ordered at the anticipated halfway point.
8. For homes over \$750,000, once enclosed, a centrally monitored fire and burglar alarm is required.
9. For dwellings that will be owner occupied upon completion, coverage will be provided on a USP Portfolio Homeowner segment policy with the Real Property Basic Replacement Cost Coverage loss settlement option.
10. No new home or alarming credits until construction completed.

DWELLING FIRE

A. ELIGIBILITY

The Dwelling Fire segment has one coverage option. Coverage is provided for both liability and the dwelling.

The following residence types are eligible for the Dwelling Fire segment.

1. Dwellings owned by the insured and rented to others.
2. Condominiums and co-operatives that are owned by the insured and rented to others.

B. INSURANCE-TO-VALUE PROGRAM

All new business must be written for 100% replacement cost. In order to help keep up with current costs, residence/dwelling and condo limits are typically adjusted annually at renewal. Limits for these coverages will not be reduced without the policyholder's consent.

Our program is based on all dwellings being properly insured to their full replacement value. Using information and factors obtained from recognized leaders in the residential appraisal field. We have developed a viable Insurance-to-Value program.

Documentation of replacement cost valuations is required on all new business. The replacement cost must be calculated using an acceptable methodology as determined by us. If the Actual Cash Value loss settlement option is desired, calculate the replacement cost. Determine depreciated value, based on age and condition utilizing industry depreciation tables. Unlike the replacement cost option, policies with the actual cash value loss settlement option will not be increased for insurance-to-value each renewal.

C. PRIOR INSURANCE

Prior standard insurance is required.

D. Binding Guidelines—Dwelling Fire (Refer exceptions to your Underwriter, nonbound).

DWELLINGS	PRIMARY OWNER OCCUPIED 1 OR 2 FAMILY	SEASONAL/SECONDARY OWNER OCCUPIED 1 OR 2 FAMILY	RENTAL NON-OWNED OCCUPIED 1-4 FAMILY
VALUE	Minimum \$60,000 Maximum (P.C. 1-8) \$3,000,000 Maximum (P.C. 9) \$600,000. Over \$750,000 refer to Underwriter.	Seasonal Minimum \$30,000—Maximum \$175,000 Secondary Minimum \$40,000—Maximum \$250,000 Over \$750,000 refer to Underwriter.	1 Family Minimum \$75,000—Maximum \$300,000 2-4 Family Minimum \$100,000—Maximum \$300,000 Over \$750,000 refer to Underwriter.
PROTECTION CLASS	No Protection Class 10		
LOSS ACTIVITY (Last 3 years)	0 Liability losses 1 loss of any type (including Cat)		
ROOF, ELECTRICAL HEATING, PLUMBING	Well maintained. Must have updated roof, electrical and heating within the last 25 years		
WOODSTOVE	Ineligible as primary heat source or if self installed Completion of our Woodstove Questionnaire (Form G57872) Required		
COASTAL AREAS	Refer Atlantic or Gulf coast property not in your domiciled state. > 1500 feet from shore > 15 ft. mean high tide No property in Louisiana within 30 miles of any body of water can be bound by a non-resident agent.		
CONTENTS	Not Applicable	Not Applicable	Limited to houseware appliances and other hardware, but never household furnishings, i.e. chairs, tables, etc. Condo/Cooperative rented to others \$5,000 to \$30,000.
CENTRAL STATION ALARMS	Required if any of the following conditions apply: — Replacement Cost exceeds \$750,000 for PC 1-8; \$600,000 for PC 9 — Contents exceed \$250,000 in any one location. — Total Scheduled Personal Property exceeds \$300,000. — Located in city over 400,000 population with no daily occupancy.		
FINANCIAL STABILITY	"Significantly Below Average" credit history (insurance bureau scoring" is ineligible.		
DEDUCTIBLES	Minimum \$500		

E. "REFER TO COMPANY" GUIDELINES

Please call or submit the following non-bound:

1. Dwellings
 - a. Converted to dwelling purposes from another use.
 - b. Relocated dwellings.
 - c. With any roomers or boarders.
 - d. Within 100 feet of a commercial or industrial property.
 - e. With market value (excluding land) of under 70% of current replacement cost.
 - f. Open foundations.
 - g. Where business conducted on premises.
 - h. Rental dwellings located over 100 miles from primary home.
 - i. Converted to increase the number of families.
 - j. More than three stories.
 - k. With supplemental heating by coal or kerosene stoves or multiple space heaters.
 - l. Dwellings under major renovation (25% or more increase in home value) or under course of construction.
 - m. Log Homes

F. INELIGIBLE EXPOSURES

1. Structures
 - a. Mobile/Manufactured homes.
 - b. Basement homes.
 - c. Boat houses as primary residences.
 - d. Dwellings in poor condition, with unrepaired damage or below average maintenance.
 - e. Number of families exceed number of units.
 - f. Vacant buildings.
 - g. In known flood, wavewash, sinkhole, pollution, landslide or cave-in area.
 - h. Within 1,000 ft. of brush area.
 - i. Premises with vicious or temperamental or exotic pets in household, or if there is any history of a bite from any domestic animal in the household.
 - j. True farming, where a substantial portion of income derived from farming activities.
 - k. Premises with trampolines.
 - l. Premises with underground oil tanks.

G. SCHEDULED PERSONAL PROPERTY (only available on owner occupied dwelling fire)

1. Any class including blanket coverage, exceeding the following limits must be submitted nonbound.

Class	Aggregate
Jewelry	\$150,000
Fine Arts	150,000
Furs	75,000
Silverware	75,000
Cameras	30,000
Stamps	30,000
Coins/Collectibles/Trading Cards	30,000
Musical Instruments	30,000
Golfer's Equipment	20,000
Other	Refer to company

2. For scheduled classes, any single jewelry item exceeding \$50,000 or fine art item exceeding \$25,000, must be submitted nonbound.
3. Any schedule exceeding \$100,000 in total value must be submitted nonbound.
4. Schedules for the following should be submitted non-bound.
 - a. Known collectors, dealers, exhibitors.
 - b. Persons who travel excessively.
 - c. Persons in the "Public Eye" i.e., celebrities, professional athletes.
 - d. Items located in dwellings other than primary residences.
5. Appraisal Requirements
Appraisals are required for all scheduled items valued at \$50,000 or more.
All appraisals are to be retained by the agent.

H. LOG HOMES – Eligibility

Only Log Homes that meet the following are eligible:

1. Built 1977 or later
2. Split Log construction
3. Protection Class 1-8. (NOTE: PC 9 can be considered. Please complete an Unprotected Property Supplement and forward to Underwriting for review.)

Meets all other Encompass Insurance property guidelines.

I. COURSE OF CONSTRUCTION – MAJOR RENOVATION – Eligibility

Dwellings under major renovation (25% or more increase in home value) or under course of construction: the following must be considered prior to referring:

1. Current home should be within 50 miles to ensure oversight on the part of the insured.
2. Home should be written at completed value. Maximum completed value for a course of construction exposure is \$1,000,000.
3. Minimum deductible \$1,000.
4. Insured cannot be acting as general contractor.
5. A certificate of insurance should be provided by the general contractor reflecting limits of at least 1.5 times the completed value, or \$500,000, whichever is greater, including general liability and workers compensation insurance.
6. Home must be located in protection class 1 through 8. Protection class 9 exposures will be considered; but must complete Unprotected Property Supplement for any home not located within 1,000 feet of a municipal hydrant.
7. Home should generally be completed and occupied within 180 days. Higher valued homes should be completed within one year. For homes where the anticipated completion date is greater the 6 months, an interim drive-by inspection will be ordered at the anticipated halfway point.
8. For homes over \$750,000, once enclosed, a centrally monitored fire and burglar alarm is required.
9. For dwellings that will be rented to others upon completion, coverage will be provided on a USP Portfolio Dwelling Fire segment policy with the Real Property Basic Replacement Cost Coverage loss settlement option.
10. No new home or alarming credits until construction completed.

BOAT

A. ELIGIBILITY

Must meet all of the eligibility requirements detailed in this section.

B. LIABILITY COVERAGE

USP Portfolio provides liability coverage for the following boats automatically within the Home and Dwelling Fire Segments.

- Outboard motors 0 to 25 horsepower
- Sailboats 0 to 25 feet
- Inboard and Inboard/Outboard motors 0 to 50 horsepower

If liability and hull coverage is purchased for boats falling within the above parameters, liability can be purchased up to \$500,000 to match the liability limits of the supporting segment.

The above boats, falling within this free liability band, without hull, cannot purchase liability only coverage. Liability coverage will be automatic with purchase of the supporting Home or owner occupied Dwelling Fire Segment.

C. CORPORATELY OWNED BOATS

Corporately owned craft can be written when we write both the Homeowners and Auto Support, and the craft is used strictly for private pleasure purposes.

D. VALUE OF BOAT/MOTORS

1. The value of the boat or any outboard motor may never be less than the average value listed in current editions of ABOS, BUC or similar industry guides.
2. Newly purchased watercraft should be valued at its full purchase price, at a minimum.

E. CRAFT CHARACTERISTICS

1. Watercraft exceeding the following characteristics must be referred to the underwriter, non-bound, with a marine survey (secured at applicant's expense):
 - Value: <\$125,000 (current book value)
 - Length: <40 feet (at centerline)
 - Speed: <56 mph
2. Boats capable of speeds in excess of 56 mph must be submitted non-bound.

F. INELIGIBLE WATERCRAFT

1. Not seaworthy.
2. Non-commercially manufactured (kit or home-made boats).
3. Craft under construction.
4. Hydroplanes and any strictly one-man motorized craft.
5. Houseboats as permanent living quarters.
6. Submarines, motor driven surfboats, water cycles, or any type of experimental craft.
7. Surplus military or naval craft.
8. Jet boats, jet skis, jet drives and air boats.
9. Inflatable boats.
10. Ice boats.
11. Amphibious land/water crafts.
12. Air propelled boats, including marsh boats.

G. INELIGIBLE EXPOSURES

1. Used by any youth organization.
2. Equipped with gasoline or "white gas" fueled appliances.
3. Powered above manufacturer's or coast guard's designation.
4. Powered by converted automobile or air-cooled engines.
5. Equipped with hydrofoils or dry-stacked exhaust system.
6. Designed or modified for performance or competition.
7. Hauled by trailer not designed for use as boat trailer.
8. Home-built or kit-built trailers.
9. Used by person not having a valid driver's license.
10. Kept or stored in unsecured open lots.

H. INELIGIBLE USES

1. Any commercial or business-related use, including renting, hiring, or chartering.
2. Racing, other than sailboats.
3. Permanent living quarters.

I. INELIGIBLE OPERATORS (if automobile is not with us)

1. Persons whose automobile, boat, or recreational vehicle policy has been canceled, declined, or non-renewed for underwriting reasons in the past 3 years.
2. Persons having more than one negligent boat loss in the last 3 years.
3. Persons whose driving record would not qualify for an automobile policy with us.
4. Operators under 16 years of age unless accompanied by an eligible parental operator.
5. Persons without a valid driver's license.

J. NAVIGATIONAL LIMITS

Per policy.

K. EXTENDED NAVIGATION ENDORSEMENT

The following are the minimum allowable requirements to issue the Extended Navigation Endorsement:

Boat Length:	35 Feet
Operator Experience:	4 Years of Ocean Navigational Experience
Membership:	U.S. Power Squadron and Coast Guard Auxiliary
Boat Equipment:	Twin Engines LORAN VHF Radio with Backup Radio Firefighting Equipment (Automatic Halon System and Fire Extinguishers) Tenders Automatic Radio Beacon

PERSONAL UMBRELLA

A. REQUIRED EXPOSURES

Encompass Insurance must write the respective underlying primary auto or primary home coverage in order to write personal umbrella over that exposure. All exposures, except trailers, can have personal umbrella (with or without primary liability) subject to the required exposure rule.

B. COVERED EXPOSURES

All exposures, except trailers, can have personal umbrella added.

C. REQUIRED UNDERLYING LIMITS

1. Personal umbrella coverage must be present on all listed exposures (except trailers and excluded vehicles).
2. The same liability limit must be selected for all exposures.
3. Underlying exposures covered by our USP Portfolio policy, must carry minimum limits of \$100,000/\$300,000 bodily injury and \$100,000 Property Damage or \$300,000 Single Limit Liability for Motor Vehicles.
4. Homeowners, boat and dwelling fire must carry \$300,000 Single Limit Liability.

D. UNDERWRITING RULES

1. All underlying exposures not insured with us must meet the Underwriting Rules for the exposure as if we were insuring it.
2. Carrier providing primary liability coverage for underlying exposures must be rated at least 'B+'.

E. INELIGIBLE EXPOSURES

The following are ineligible:

Any exposure which cannot be covered under a personal lines policy.