

TOPA INSURANCE COMPANY
NEVADA
FAMILY DWELLING PROGRAM UNDERWRITING GUIDELINES

A. GENERAL:

1. Policy Coverage: Per Policy Form No. : FDP-3
2. Policy Term: Annual Only
3. Payment Options Monthly (9 pay plan), quarterly, semi-annual or annual. Payment options are only available through General Agents who have the computer system capability. Topa does not directly offer payment options.
4. Application: Only fully completed Topa applications are acceptable and must be signed by both the applicant and the producer.

B. ELIGIBILITY:

1. Primary Residence must be:
 - a. Full time owner occupied one or two family dwellings of frame or frame/stucco construction. The dwelling must be used exclusively for private residential purposes.
 - b. Located in National Board Classes 1 through 8.
 - i. Residence in NBC 9 & 10 may be submitted for approval (no binding authority) if it meets the following qualifications.
 - Approved roof;
 - within 5 miles travel distance of a recognized paid fire department that will respond, and
 - located within 1,000 feet of a public fire hydrant.
2. Secondary Residence refer to Fire Dwelling Program.
3. All Residences must:
 - a. Show pride of ownership i.e. neat and clean.
 - b. Other structures and landscaping must be well maintained.
4. Other requirements:
 - a. Swimming pools, Jacuzzis, hot tubs, and similar items must be completely fenced or enclosed and comply with applicable state and local ordinances or statutes.
5. Dwelling must be 60 years of age or newer.
 - a. Dwelling built prior to 1945 must be completely updated (i.e. re-wired, re-roofed, plumbing and heating updated. Documents must be submitted with the application.
6. Dwellings of thirty (30) years old must be re-roofed within the past 15 years.
7. No more than one major loss in excess of \$10,000.
8. No more than two minor losses with the aggregate not exceeding \$10,000.
9. Dwelling value: \$75,000 to \$800,000.

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C. INELIGIBLE RISK:

1. External exposures from business or industrial operations
2. In brush areas or within 250 feet of brush or landslide area or 1000 feet of the ocean
3. Wood shake shingle, metal, foam or fiberglass roofs.
4. In a remote or inaccessible area and/or not visible by neighbors
5. Fuses - circuit breakers are required
6. Knob and tube wiring.
7. Occupied by more than one family
8. Seasonal, vacant, mobile homes, modular homes or farm risk
9. Cantilevered construction
10. Extensive remodeling or under construction.
11. Ferocious or dangerous animals of any type
12. Wood burning stoves or fireplace as the primary source of heat
13. Pending foreclosures
14. No legal title to the land upon which dwelling is located.
15. More than 1 major loss of any type in the prior 36 months or more than 2 minor losses in prior 36 months.
 - a. A major loss is any loss in excess of \$10,000.
 - b. A minor loss is any loss with the aggregate not exceeding \$10,000.If a loss was a theft loss, Topa will not write the optional theft coverage.
16. Three or more mortgages
17. Pools with diving boards and/or slides
18. Replacement values under \$75,000 or over \$800,000 for Coverage A - Dwelling.
19. Business conducted on the premises
20. Dwelling over 60 years old at the time of application. Will consider for renewal if we have had the risk.
21. Personal property only policies
22. Any portion of the premises (house, garage, land, etc) rented to or held for rental to others.
23. Dwellings not designed and built as a single family dwelling.
24. Have a history or dog bites, regardless or breed.
25. Are in commercial, industrial or deteriorating locations.
26. Any unrepaired damages, whether or not covered by insurance.
27. Any farm animals or exotic animals.
28. Split or participating policies.

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D. COVERAGES:

1. Section I	
Coverage A. Dwelling	100% of replacement cost (\$75,000. minimum)
Coverage B. Other Structures	10% of Coverage A. (can be increased)
Coverage C. Unscheduled Personal Property	
a. On Premises	75% of Coverage A. (can be increased)
b. Off Premises	10% of Coverage A.
Coverage D. Loss of Use	20% of Coverage A. (cannot be increased)

D. COVERAGES: (con't)

2. Section II	
Coverage E. Personal Liability	\$100,000 Each Occurrence
Property Damage	\$500 Each Occurrence
Coverage F. Medical Payments	\$1,000 Each Person

3. Increased/Additional COVERAGES

Coverage	Rate
Coverage B - Other Structures	\$2.50 per \$1,000
Coverage C - Unscheduled Personal Property	\$3.00 per \$1,000
Coverage C - Replacement Cost Coverage (Coverage is NOT on a "Guaranteed" basis)	\$.50 per \$1,000 (\$20.00 minimum)
Computers - Maximum \$4,500 additional value	\$1.50 per \$100
(Basic Policy provides \$2,500 coverage)	
Coverage E - Personal Liability	
\$200,000 Each Occurrence	\$25.00 flat charge
\$300,000 Each Occurrence	\$50.00 flat charge
Theft Coverage (burglary in base premium) (Do not include Section II increase limit premium)	5% of premium

E. DEDUCTIBLE CREDITS

1. \$500.00 Standard deductible applies to all Section I losses
2. Optional Deductibles
 - a. \$1,000 Deductible 5% Premium credit - Max of \$100.00
 - b. \$1,500 Deductible 10% Premium credit - Max of \$200.00
 - c. \$2,000 Deductible 15% Premium credit - Max of \$300.00

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F. PREMIUM CREDITS AND FEES

1. Burglary Protection -5%

To qualify for this credit the alarm must be a full perimeter or motion detection system connected to a remote 24-hour central station service, or directly to the police department. A copy of the alarm contract must be submitted with the application.

2. Fire Alarm -5%

To qualify for this credit the fire alarm system must be connected to a remote 24-hour central station or directly to the police or fire department. A copy of the alarm contract must be submitted with the application.

3. Age of Dwelling - Debit or Credit

<u>Age</u>	<u>Debit/Credit</u>
1	21% credit
2	17% credit
3	13% credit
4	10% credit
5	6% credit
+6	base rate

4. Claim Free Discount.

New Business: The 1 year claim free discount will be applied to new business if the applicant supplies **proof** from the prior carrier that there were no losses in the past 36 months.

3 years 20%

2 years 15%

1 year 10% - May apply to New Business.

5. Renewals

The claim free discount will automatically be applied to renewal premiums (except earthquake coverage) if the insured has been claim free during the past renewal period. If the insured has made any claim, which caused Topa to set up a loss or expense reserve or make a loss or expense payment the discount will not be allowed. If the New Business was given the claim free discount the renewal claim free years will be increased by one, i.e. 1 claim free renewal and New Business was claim free then the 2 year discount applies.

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F. PREMIUM CREDITS AND FEES (con't)

If the insured has purchased Theft Coverage Endorsement and there is a theft loss the renewal will be offered without the Theft Coverage Endorsement.

3 years	20%
2 years	15%
1 year	10%

6. Protection Class Debits

While it is not the intent of underwriting to actively write business in protection class 8 - 10, there will be the occasional cases where the risk meets all underwriting criteria.

Protection Class 7 and 8	+44% (1.44 factor)
Protection Class 9 and 10	+103% (2.03 factor)

7. Loss Experience Debits

One loss less than \$5,000	+5
Second loss and less than \$10,000	+ 10 %
Any loss \$10,000 or more	+15%
Maximum of 1	

8. Policy Fee

\$40.00 fully earned policy fee

9. Inspection Fee

\$20.00 inspection fee. The inspection fee is to cover the cost of independent inspection reports. Inspections are ordered on new business only. Renewal inspection, if necessary, will be done at the expense of the Company.

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G. NEW BUSINESS BINDING REQUIREMENTS

1. The following documents must be completed, signed and dated. If any are missing or incomplete the application will be rejected.
 - a. A Topa application. Requires the signature of both the applicant and the insured.
 - b. Dwelling Replacement Cost Disclosure
2. Oral binders are strictly prohibited.
3. The earliest coverage can be effective shall be:
 - a. At 12:01 A.M. the day following the date the application was signed and dated, provided the application and payment are received within 3 days from the date the application was signed and dated by the applicant; or
 - b. If received after 3 days from the date the application was signed and dated by the applicant then at 12:01 A.M. of the date following the date received in our office.
4. Proof of Insurance forms may only be issued by either Topa or an appointed General Agent who was been granted binding authority. No retail brokers shall issue any Proof of Insurance on Topa's behalf.

Note: Payment must be remitted with the application unless we are instructed to bill the Mortgagee or Escrow.

H. PAYMENT OPTIONS

Topa does not offer any payment options directly to the insured, however our General Agents who have a computer system capable of providing this service are authorized to use these options.

1. Paid-in-full Remit the full annual premium including the policy fee and the inspection fee. If the agency agreement permits, the agent may remit the annual premium less the commission.

2. Nine Pay Remit 25% down plus the policy fee and the inspection fee. Balance due will be billed in 8 monthly installments with the first installment due 45 days after policy inception. Each bill will include a 5.00 installment fee, which is retained by the General Agent. There are no commissions paid on the installment fees.

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H. PAYMENT OPTIONS (con't)

Non-sufficient funds Charge

If the insured's check is returned from the bank unpaid, there is a \$15.00 service charge. Once a check is return we will issue notice of cancellation. The insured is required to pay the original amount due plus the \$15.00 service charge in order to have the policy reinstated. If there are more than 2 non-sufficient fund checks in the same policy period the Company will not reinstate the policy.

I. RENEWAL GUIDELINES

1. A renewal offer will be mailed to the insured and a notice to the agent approximately 60 days prior to the policy expiration.
2. Payments received after the expiration date will be renewed with an effective date one day after the postmark date of mailing. If a payment is received 16 or more days after expiration, the payment will be returned and a new application will be required

J. CANCELLATIONS AND NONRENEWALS.

A. Ground for cancellation:

1. No policy that has been in effect for at least 70 days or that has been renewed may be canceled by the insurer prior to the expiration of the agreed term or 1 year from the effective date of the policy or renewal, whichever is less, except on any one of the following grounds:
 - a. Failure to pay a premium when due;
 - b. Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
 - c. Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim there under;
 - d. Discovery of;
 - (1) An act or omission; or
 - (2) A violation of any condition of the policy, which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against;
 - e. A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

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IX - Cancellations and Non-Renewal (con't)

- f. A determination by the commissioner that continuation of the insurer's present volume of premiums would jeopardize the insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public; or
 - g. A determination by the commissioner that the continuation of the policy would violate, or place the insurer in violation of, any provision of the code.
 - 2. No cancellation under Section "A." is effective until in the case of paragraph "a." of section "A" at least 10 days and in the case of any other paragraph of Section "A" at least 30 days after the notice is delivered or mailed to the policyholder.
- B. Cancellation on policy anniversary:
A policy issued for a term longer than 1 year may be canceled by the insurer by giving notice of the cancellation 30 days before any anniversary date of the policy.
- C. Annual policy review:
Each insurer who delivers a policy in the State of Nevada which is effective for 1 year or more may, for the period in which the policy is effective, review annually with the policyholder to whom the policy is delivered the coverage and benefits provided in the policy.
- D. Renewal with altered terms:
An insurer shall not renew a policy on different terms, including different rates, unless the insurer notifies the insured in writing of the different terms or rates at least 30 days before those terms or rates become effective. If the insurer offers or purports to renew the policy but on different terms, including different rates, the policyholder may, for 30 days after he receives notice of the changes in the policy, cancel the policy. If he elects to cancel, the insurer shall refund to him the excess of the premium paid by him above the pro rata premium for the expired portion of the new term.

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NEVADA BASE RATES

Premium Group	2	3	5	7	8	12	17
\$75,000.00	287	410	575	283	405	327	274
\$80,000.00	298	425	596	293	420	338	284
\$85,000.00	307	438	615	302	433	349	293
\$90,000.00	315	450	632	310	445	358	301
\$95,000.00	322	460	646	316	455	366	307
\$100,000.00	328	469	659	322	463	373	313
\$105,000.00	331	479	678	326	473	380	315
\$110,000.00	347	502	710	341	495	397	329
\$115,000.00	362	524	741	356	517	414	343
\$120,000.00	377	546	773	371	539	432	357
\$125,000.00	392	568	804	385	560	449	372
\$130,000.00	406	590	835	400	582	466	386
\$135,000.00	421	612	867	414	603	483	400
\$140,000.00	436	633	898	429	625	500	414
\$145,000.00	451	655	929	443	646	517	427
\$150,000.00	481	677	960	458	668	534	441
\$155,000.00	494	711	1004	487	702	565	470
\$160,000.00	507	730	1032	499	720	579	482
\$165,000.00	519	747	1060	512	738	593	493
\$170,000.00	531	765	1088	524	755	607	505
\$175,000.00	543	782	1116	536	772	620	516
\$180,000.00	555	799	1143	547	788	634	527
\$185,000.00	567	816	1170	559	805	647	538
\$190,000.00	578	832	1197	570	821	659	549
\$195,000.00	589	848	1224	581	837	672	560
\$200,000.00	600	864	1250	592	852	684	570
\$205,000.00	658	947	1332	648	935	752	625
\$210,000.00	674	970	1365	664	958	771	641
\$215,000.00	690	993	1398	679	980	789	656
\$220,000.00	706	1016	1430	695	1003	807	671
\$225,000.00	722	1040	1463	711	1026	826	686
\$230,000.00	738	1063	1495	727	1049	844	702
\$235,000.00	754	1086	1528	743	1072	862	717
\$240,000.00	770	1109	1560	758	1094	881	732
\$245,000.00	786	1132	1593	774	1117	899	747
\$250,000.00	803	1155	1625	790	1140	918	763
\$255,000.00	819	1178	1658	806	1163	936	778
\$260,000.00	835	1201	1690	822	1186	954	793
\$265,000.00	851	1224	1723	837	1208	973	808
\$270,000.00	867	1247	1755	853	1231	991	824
\$275,000.00	883	1271	1788	869	1254	1009	839
\$280,000.00	899	1294	1820	885	1277	1028	854
\$285,000.00	915	1317	1853	901	1300	1046	869
\$290,000.00	931	1340	1885	916	1322	1064	885
\$295,000.00	947	1363	1918	932	1345	1083	900
\$300,000.00	963	1386	1950	948	1368	1101	915

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Nevada Premium Groups

ZIP CODE	CITY	FDP	DFP
88901	THE LAKES	2	10
88905	THE LAKES	2	10
89001	ALAMO	2	10
89003	BEATTY	2	10
89004	BLUE DIAMOND	8	10
89005	BOULDER CITY	7	10
89006	BOULDER CITY	7	10
89007	BUNKERVILLE	3	12
89008	CALIENTE	2	10
89009	HENDERSON	2	10
89010	DYER	2	10
89011	HENDERSON	2	10
89012	HENDERSON	2	10
89013	GOLDFIELD	2	10
89014	HENDERSON	2	10
89015	HENDERSON	2	10
89016	HENDERSON	2	10
89017	HIKO	2	10
89018	INDIAN SPRINGS	7	10
89019	JEAN	7	10
89020	AMARGOSA VALLEY	5	6
89021	LOGANDALE	7	10
89022	MANHATTAN	2	10
89023	MERCURY	2	10
89024	MESQUITE	7	10
89025	MOAPA	7	10
89026	JEAN	7	10
89027	MESQUITE	7	10
89028	LAUGHLIN	7	10
89029	LAUGHLIN	7	10
89030	NORTH LAS VEGAS	12	10
89031	NORTH LAS VEGAS	12	10
89032	NORTH LAS VEGAS	12	10
89033	NORTH LAS VEGAS	12	10
89036	NORTH LAS VEGAS	12	10
89039	CAL NEV ARI	12	10
89040	OVERTON	7	10
89041	PAHRUMP	2	10
89042	PANACA	2	10
89043	PIOCHE	2	10
89045	ROUND MOUNTAIN	7	10
89046	SEARCHLIGHT	7	10
89047	SILVERPEAK	2	10
89048	PAHRUMP	2	10
89049	TONOPAH	2	10
89053	HENDERSON	2	10

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ZIP CODE	CITY	FDP	DFP
89070	INDIAN SPRINGS	2	10
89074	HENDERSON	2	10
89101	LAS VEGAS	12	10
89102	LAS VEGAS	12	10
89103	LAS VEGAS	12	10
89104	LAS VEGAS	12	10
89106	LAS VEGAS	12	10
89107	LAS VEGAS	12	10
89108	LAS VEGAS	12	10
89109	LAS VEGAS	12	10
89110	LAS VEGAS	12	10
89111	LAS VEGAS	12	10
89112	LAS VEGAS	12	10
89113	LAS VEGAS	12	10
89114	LAS VEGAS	12	10
89115	LAS VEGAS	12	10
89116	LAS VEGAS	12	10
89117	LAS VEGAS	12	10
89118	LAS VEGAS	12	10
89119	LAS VEGAS	12	10
89120	LAS VEGAS	12	10
89121	LAS VEGAS	12	10
89122	LAS VEGAS	12	10
89123	LAS VEGAS	12	10
89124	LAS VEGAS	12	10
89125	LAS VEGAS	12	10
89126	LAS VEGAS	12	10
89127	LAS VEGAS	12	10
89128	LAS VEGAS	17	10
89129	LAS VEGAS	17	10
89130	LAS VEGAS	17	10
89131	LAS VEGAS	12	10
89132	LAS VEGAS	12	10
89133	LAS VEGAS	12	10
89134	LAS VEGAS	17	10
89135	LAS VEGAS	17	10
89137	LAS VEGAS	17	10
89138	LAS VEGAS	17	10
89139	LAS VEGAS	17	10
89140	LAS VEGAS	17	10
89141	LAS VEGAS	17	10
89142	LAS VEGAS	17	10
89143	LAS VEGAS	17	10
89144	LAS VEGAS	17	10
89145	LAS VEGAS	17	10
89146	LAS VEGAS	17	10

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ZIP CODE	CITY	FDP	DFP
89147	LAS VEGAS	17	10
89148	LAS VEGAS	17	10
89149	LAS VEGAS	17	10
89150	LAS VEGAS	12	10
89151	LAS VEGAS	12	10
89152	LAS VEGAS	12	10
89153	LAS VEGAS	12	10
89154	LAS VEGAS	12	10
89155	LAS VEGAS	12	10
89156	LAS VEGAS	12	10
89159	LAS VEGAS	12	10
89160	LAS VEGAS	12	10
89163	THE LAKES	12	10
89164	LAS VEGAS	12	10
89170	LAS VEGAS	12	10
89177	LAS VEGAS	12	10
89180	LAS VEGAS	12	10
89185	LAS VEGAS	12	10
89191	NELLIS AFB	12	10
89193	LAS VEGAS	12	10
89195	LAS VEGAS	12	10
89199	LAS VEGAS	12	10
89301	ELY	2	10
89310	AUSTIN	2	10
89311	BAKER	5	6
89314	DUCKWATER	2	10
89315	EAST ELY	2	10
89316	EUREKA	2	10
89317	LUND	5	6
89318	MC GILL	2	10
89319	RUTH	3	12
89402	CRYSTAL BAY	7	10
89403	DAYTON	5	6
89404	DENIO	2	10
89405	EMPIRE	7	10
89406	FALLON	2	10
89407	FALLON	2	10
89408	FERNELY	2	10
89409	GABBS	2	10
89410	GARNERVILLE	2	10
89411	GENOA	2	10
89412	GERLACH	7	10
89413	GLENBROOK	2	10
89414	GOLCONDA	2	10
89415	HAWTHORNE	5	6
89418	IMLAY	2	10

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ZIP CODE	CITY	FDP	DFP
89419	LOVELOCK	2	10
89420	LUNING	2	10
89421	MC DERMITT	3	12
89422	MINA	2	10
89423	MINDON	2	10
89424	NIXON	7	10
89425	OROVADA	2	10
89426	PARADISE VALLEY	2	10
89427	SCHURZ	5	6
89428	SILVER CITY	2	10
89429	SILVER SPRINGS	2	10
89430	SMITH	2	10
89431	SPARKS	7	10
89432	SPARKS	7	10
89433	SUN VALLEY	7	10
89434	SPARKS	7	10
89435	SPARKS	7	10
89436	SPARKS	7	10
89438	VALMY	2	10
89439	VERDI	7	10
89440	VIRGINIA CITY	2	10
89442	WADSWORTH	7	10
89444	WELLINGTON	2	10
89445	WINNEMUCCA	2	10
89446	WINNEMUCCA	2	10
89447	YERINGTON	2	10
89448	ZEPHYR COVE	2	10
89449	STATELINE	2	10
89450	INCLINE VILLAGE	7	10
89451	INCLINE VILLAGE	7	10
89452	INCLINE VILLAGE	7	10
89496	FALLON	7	10
89501	RENO	7	10
89502	RENO	7	10
89503	RENO	7	10
89504	RENO	7	10
89505	RENO	7	10
89506	RENO	7	10
89507	RENO	7	10
89509	RENO	7	10
89510	RENO	7	10
89511	RENO	7	10
89512	RENO	7	10
89513	RENO	7	10
89515	RENO	7	10
89520	RENO	7	10

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ZIP CODE	CITY	FDP	DFP
89523	RENO	7	10
89533	RENO	7	10
89550	RENO	7	10
89557	RENO	7	10
89564	RENO	7	10
89570	RENO	7	10
89595	RENO	7	10
89599	RENO	7	10
89701	CARSON CITY	2	10
89702	CARSON CITY	2	10
89703	CARSON CITY	2	10
89704	WASHOE VALLEY	2	10
89705	CARSON CITY	2	10
89706	CARSON CITY	2	10
89710	CARSON CITY	2	10
89711	CARSON CITY	2	10
89712	CARSON CITY	2	10
89713	CARSON CITY	2	10
89714	CARSON CITY	2	10
89721	CARSON CITY	2	10
89801	ELKO	2	10
89802	ELKO	2	10
89803	ELKO	2	10
89815	SPRING CREEK	2	10
89820	BATTLE MOUNTAIN	2	10
89821	CRESENT VALLEY	2	10
89822	CARLIN	2	10
89823	DEETH	2	10
89824	HALLECK	2	10
89825	JACKPOT	2	10
89826	JARBIDGE	5	6
89828	LAMOILLE	3	12
89830	MONTELLO	5	6
89831	MOUNTAIN CITY	5	6
89832	OWYHEE	2	10
89833	RUBY VALLEY	5	6
89834	TUSCARORA	2	10
89835	WELL	2	10
89883	WEST WENDOVER	2	10