



NEVADA VACANT DWELLING PROGRAM

This underwriting guide describes the nature and scope of this program. Because of the nature of the business, all possible situations cannot be addressed. Company underwriters have the authority to grant exceptions to these guidelines based on their experience. All exceptions shall be documented in the underwriting file. Applications which do not meet these guidelines are generally unacceptable.

This program is designed to provide short term (six months maximum) coverage for single family dwellings which are vacant due to either being sold by heirs due to the death of the owner, being sold because the owner has purchased another house, or undergoing minor renovation. This program is not intended to cover single family dwellings which are vacant due to a tenant moving.

I. GENERAL

- A. State: Nevada
- B. Limits: Minimum: 25,000 Maximum: 500,000
All dwellings are to be insured to 100% of their Actual Cash Value:
- C. Policy Term: 3 months with one (1) 3 month renewal
- D. Forms: Dwelling Property –Basic form (DP-1)
Premises Liability (optional)

II. ELIGIBLE DWELLINGS

- A. A one or two family dwelling used solely for residential purposes
- B. Dwelling must be vacant for no more that 3 months prior to Topa writing the risk.
The cause of vacancy must be:
 - 1. Death of owner and heirs selling property
 - 2. Owner purchased another dwelling & selling
 - 3. New ownerDwelling can be undergoing minor renovations such as painting, carpeting, reroofing or minor repairs.
- C. Dwellings with roofs less than 10 years old. On roofs over 10 years old we will accept without Extended Coverage Endorsement (ECE)
- D. Dwelling under 61 years old
- E. Dwelling must have circuit breakers
- F. Dwellings located within 5 miles of a responding paid fire department and within 1000 feet of a fire hydrant.
Dwellings located in NBC 9 or 10 are generally ineligible. They may be submitted for approval if they meet the following qualifications:
 - A. Approved Roof – no wood shake shingle or foam
 - B. Located within 5 miles travel distance of a recognized department that will respond.
 - C. Located within 1,000 feet of a public fire hydrant.
- G. Dwellings must be on a paved road and visible from other dwellings and there must be an alternate escape route for fire fighting equipment (i.e. no dead end streets)
- H. Brush must be cleared at least 250 feet parameter from the dwelling.

III. INELIGIBLE RISK

- A. Dwellings on a steep inclined (over 30 degrees) and/or built on stilts or pylons.
- B. Dwellings with wood burning stoves if the wood burning stove is the primary source of heat.
- C. Dwelling built on landfill
- D. Course of Constructions or Builders Risk.
- E. Where excessive amounts of materials of a hazardous nature (i.e. flammable chemicals, paint, cleaning supplies) are stored



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III. INELIGIBLE RISK (con't)

- F. Risk with a loss history which includes multiple losses, a prior negligent loss or a liability related claim (if liability is provided)
- G. "Antique" or "one of a kind" dwelling where replacement cost value would be difficult to determine.
- H. Dwellings with unrepaired damage, structural deterioration (i.e. peeling paint, worn roof, etc) or appliances, vehicles or furniture stored in the rear and/or poor housekeeping.
- I. Converted dwellings, self-constructed dwellings (unless the insured is a licensed contractor), kit homes, mobile homes or unique constructions such as Log Homes.
- J. Liability Coverage:
 - 1. For unfenced pools, empty pools, diving boards, slides, trampolines, unusual hazards such as exceptional steep stairs or stairs without railing, litter on the premises, open pits or any "attractive nuisance".
 - 2. Ownership, training or boarding of ferocious or dangerous animals, including but not limited to Rottweilers, German Shepherds, Pitbulls, Doberman Pincers, Great Danes, etc.
 - 3. There is a previous history of dog bites.
 - 4. Have any farm animals, exotic or unusual pets, including but not limited to horses, cows, sheep, goats, etc.
- K. Dwellings in foreclosure or abandoned property including dwellings condemned due to condition, urban renewal, highway construction or other similar reasons.
- L. Dwelling with wood shake single or foam roofs.
- M. Dwellings less than 1,000 feet from a large body of water or river, or located in brush area or landside area.
- N. Dwellings not designed and built as a family dwelling.
- O. Dwellings in commercial, industrial or deteriorating locations.
- P. Dwellings with only fuses – circuit breakers are required.
- Q. Owner occupied dwelling not in the name of an individual.
- R. Insured currently in bankruptcy.

IV. COVERAGE LIMITS

<u>COVERAGE</u>	<u>LIMITS</u>
A. Dwelling	\$25,000 Minimum – 500,000 Maximum 100% Actual Cash Value.
B. Other Structures	Coverage is available in 1,000 increments
C. Personal Property	10% of Coverage A. No increases available.
D. Loss of Use	NOT AVAILABLE
E. Premises Only Liability	NOT AVAILABLE
F. Medical Payments	Optional
	Optional



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V. RATING AND DEDUCTIBLES

A. Deductible of 1,000.00 only

B. <u>RATES:</u>	<u>Protection Class 1 to 7</u>	<u>Protection Class 8, 9, 10</u>
Fire	.19	.30
Extended Coverages	.07	.10
Vandalism & Malicious Mischief	.05	.05

Rates are per \$100 value per month.

To calculate the premiums for a two family dwelling multiply the above rates by 1.25.

<u>PREMISES LIABILITY</u>	\$100,000	15.00 Per month
	\$300,000	20.00 Per month
	\$500,000	40.00 Per month

C. Minimum Premium: 250.00 – 3 months

D. Fees

All fees are fully earned when the policy is written. There are no fees if the insured elects to renew the policy for 1 additional 3 month term.

Policy Fee: 50.00

VI. INSPECTION FEES

The inspection fees are set by the inspection companies. Fees are an average inspection cost and paid for by the applicant. An inspection fee is only charged on New Business. Topa will pay for any additional inspections required by the underwriter.

\$25.00 for dwelling with a value of \$500,000.00 or less. These are average inspections and mostly concerned with the exterior and the dwelling and potential liability exposures.

If the underwriter feels a more in-depth inspection is warranted he or she will require the inspection company to make an appointment with the insured to view the interior and exterior of the dwelling. No additional charge will be made to the insured.

VII. BINDING

- A. Only agents with binding authority stipulated in their agency or General Agency contract can bind Topa on any risk. As a general rule the maximum binding authority granted to any agent is \$500,000.00 for coverage A – Dwelling on an eligible dwelling.
- B. Coverage can only be bound effective 12:01 A.M. the date **following** the date the application is signed by the applicant, provided the application and payment, if not an impound account, are received within 3 calendar days of the signature date. If received after 3 calendar days, the effective date shall be 12:01 A.M. the date following the date the application is received, or the proposed effective date, which ever is later. Received means received in either our General Agents office of Topa’s home office and NOT the postmark date.



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VIII. CANCELLATIONS AND NON-RENEWAL

A. Grounds 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;
 - 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.

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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IX. ENDORSEMENTS

- A. Endorsements required to correct a rating error will be rated using the rates in effect at the time the policy was improperly rated or classified.
- B. Endorsements done at the request of the Insured will be rated using the rules and rates in effect on the effective date of the endorsement.
- C. No charge will be made or premium refunded when the additional or return premium is \$5.00 or less. If the insured makes a written request for a return premium of \$5.00 or less, the return will be made.

X. POLICY CONTRACT AND ENDORSEMENTS

A. Policy Contract.

- 1. The Dwelling Property –Basic Form DP 00 01 will be used. It provides basic Fire coverage with options to add Extended Coverages and Vandalism and Malicious Mischief.

If the optional Personal Liability coverage is purchased the Section II Premises Only Liability endorsement VAC-PL (7-04) is added and the limit of liability will be shown on the Declarations page.

B. Forms and Endorsements

<u>Form #</u>	<u>Form</u>
Accord 84 (1/97)	Application
VAC- 1 (7-04)	Declarations Page
DP00 01 (07 88)	Policy Contract
NVCAN (7-04)	Nevada Amendment Endorsement –Mandatory
NEVPAC-PL (7-04)	Premises Only Liability
TCPL-11 (6-04)	Fungi Exclusion