



HOMEOWNERS UNDERWRITING GUIDELINES

STATE: MAINE

Effective: 08/01/2022

HOMEOWNERS WRITING COMPANY GUIDELINES FOR NEW BUSINESS:

A risk will be offered in the company with the lowest premium for which it qualifies.

Writing Company	Pacific Indemnity	Great Northern	Vigilant	Federal
Policy Forms	House, Vacation Home, Renters, Condominium, & Cooperative	House, Vacation Home, Renters, Condominium, & Cooperative	House, Vacation Home, Renters, Condominium, & Cooperative	House, Vacation Home, Renters, Condominium, & Cooperative
PRIMARY RESIDENCES				
- House: Residences on islands not connected to the mainland	Ineligible	Ineligible	Ineligible	\$500,000
- House: Rest of State	\$1,000,000	\$750,000	\$500,000	Subject to pre-approval
- Renters, Condominium, and Cooperative (Contents & Additions and Alterations combined)	\$100,000	\$50,000	\$50,000	Subject to pre-approval
SECONDARY OR SEASONAL RESIDENCES				
- House and Vacation Home: Residences on islands not connected to the mainland	Ineligible	Ineligible	Ineligible	Acceptable with primary
- House and Vacation Home: Rest of State – with primary	Acceptable	Acceptable	Acceptable	Subject to pre-approval
- House and Vacation Home: Rest of State – without primary *	Ineligible	Ineligible	Ineligible	\$1,000,000
- Renters, Condominium, and Cooperative (Contents & Additions and Alterations combined) – with primary	Acceptable	Acceptable	Acceptable	Subject to pre-approval
- Renters, Condominium, and Cooperative (Contents & Additions and Alterations combined) – without primary *	Ineligible	Ineligible	Ineligible	\$500,000

* Additional Requirements for Secondary or Seasonal residences that are written without the primary residence:

- (1) Residence must be protected. The Protection Override Program does not apply.
- (2) Number of industry designated non-catastrophe and catastrophe losses at residence must be 0.



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MINIMUM DEDUCTIBLES				
Houses:				
• Dwelling Limit \$1M and greater	\$2,500	\$2,500	\$2,500	Subject to pre-approval
• Dwelling Limit less than \$1M	\$1,000	\$1,000	\$1,000	Subject to pre-approval
Renters, Condominiums & Cooperatives:	\$1,000	\$1,000	\$1,000	Subject to pre-approval
Wind or Hail Deductible:	N/A	N/A	N/A	
• Residences on islands not connected to the mainland	1%	1%	1%	1%
• Homes south of Portland within 1,000 feet of the ocean and in Flood Zone A without req. minimum elevation	No minimum	No minimum	No minimum	1%
• Rest of State				No minimum
Loss History (3 year experience period)				
Number of non-catastrophe losses for the client.				
• Unless they are assigned to another location on an active or newly issued Chubb homeowners' policy	No losses			
• However, if this location is or will be replacing an existing location, the non-CAT losses at that location <u>should</u> be used.		1 Loss	1 Loss	Subject to pre-approval
Number of prior CAT losses for the client at <u>this location</u> only.	No losses			
FIRE PROTECTION				
Residence within 5 road miles of the responding fire station	Required	Required	Required	Subject to pre-approval
Residence within 1,000 feet of an accessible hydrant or approved water source	Required	Required ¹	Required ¹	Subject to pre-approval



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1 - See Writing Unprotected Risks on Page 5

<i>Writing Company</i>	Pacific Indemnity	Great Northern	Vigilant	Federal
<i>Flood Zones – Coastal Counties only</i>				
Flood Zone A – Requires positive elevation	Subject to pre-approval	Subject to pre-approval	Subject to pre-approval	Subject to pre-approval
Flood Zone V	Not acceptable	Not acceptable	Not acceptable	Not acceptable

<i>CENTRAL STATION FIRE AND BURGLAR ALARMS *</i>				
Protected Primary - House: Coverage A - R/C/C: Contents & A&A combined	\$2,000,000 or greater	\$2,000,000 or greater	Subject to pre-approval	Subject to pre-approval
Protected Seasonal or Secondary - House: Coverage A - R/C/C: Contents & A&A combined	\$1,500,000 or greater	\$1,500,000 or greater	Subject to pre-approval	Subject to pre-approval
Unprotected Primary - House: Coverage A - R/C/C: Contents & A&A combined	\$1,250,000 or greater	\$1,250,000 or greater	Subject to pre-approval	Subject to pre-approval
Unprotected Seasonal or Secondary - House: Coverage A - R/C/C: Contents & A&A combined	\$1,000,000 or greater	\$1,000,000 or greater	Subject to pre-approval	Subject to pre-approval
<i>* These requirements may vary based upon individual risk characteristics such as occupancy, protection and installation of sprinklers</i>				

<i>MISCELLANEOUS</i>				
EIFS – Water Managed	Acceptable	Acceptable	Acceptable	Subject to pre-approval
EIFS – Other	Not acceptable	Subject to pre-approval	Subject to pre-approval	Subject to pre-approval
Course of Construction	Subject to pre-approval (Estimated completion of project less than one year)	Subject to pre-approval (Estimated completion of project less than one year)	Subject to pre-approval (Estimated completion of project less than one year)	Subject to pre-approval
Rented to Others	Acceptable with Primary residence	Acceptable with Primary residence	Acceptable with Primary residence	Subject to pre-approval

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HOMEOWNERS WRITING COMPANY GUIDELINES FOR RENEWAL:

A risk may be re-underwritten based on all the eligibility criteria outlined in the Homeowners Writing Company Guidelines for New Business. The risk may be moved by Chubb at renewal to a company for which it qualifies. A risk will be offered in the company with the lowest premium for which it qualifies.

UNDERWRITING GUIDELINES FOR UPROTECTED RISKS:

PROTECTION OVERRIDE PROGRAM

A) Unprotected risks may be **rated** as being within 1,000 feet of an accessible fire hydrant and **written** in the discounted company Vigilant or Great Northern if **ALL** the following guidelines are met:

- 1) The risk is within 3 road miles from the first responding fire department which
 - i. Brings at least 4,000 gallons of water,
 - ii. Has at least two pumpers,
 - iii. Has a mutual aid agreement(s) with fire department(s) which will supply at least 7,000 gallons of water, and
 - iv. The ISO Protection class is 9 or lower may be rated as within 1,000 feet of an approved water source.
- 2) The dwelling value does not exceed \$1,500,000
- 3) Risk is located in one of the following approved towns:

APPROVED UNPROTECTED TOWNS

Arundel	Carrabassett	Hancock	Owl’s Head	Sullivan
Auburn	Cundy’s Harbor	Harpwell	Raymond	Topsham
Belfast	Cushing	Jefferson	Rome	Tremont
Belgrade	Damariscotta	Kennebunk	Round Pond	Union
Berwick	East Raymond	Kittery	St. George	West Gardiner
Bowdoinham	Eliot	Lamoine	Saco	West Harpswell
Bristol	Freeport	Minot	Scarborough	Windham
Brunswick	Fryeburg	Monmouth	South Berwick	Wiscasset
Camden	Greenville	Newcastle	Southport	Woolwich
		North Belgrade	Southwest Harbor	York
		North Yarmouth		



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B) Unprotected risks without an accessible fire hydrant within 1,000 feet can be written in discounted company Vigilant or Great Northern subject to pre-approval.

C) In order for an Unprotected risk to be written in the discounted company Great Northern, see the following page for the acceptable criteria.

In order for an Unprotected risk to be written in the discounted company Great Northern, the following criteria must be met:

For Deluxe House Only	Primary	Secondary or Seasonal Residences - with Primary	Secondary or Seasonal Residences – without Primary
COVERAGE A	\$750,000	Acceptable	Ineligible
LOSS HISTORY			
Number of industry designated catastrophe losses at residence	0	0	Ineligible
Number of non-cat losses allowed	0	0	Ineligible
SUPPORTING LINES Supporting Lines include: - Minimum \$50,000 of Jewelry, - Minimum \$5,000,000 Personal Excess - Personal Auto policy	2 Supporting Lines	2 Supporting Lines	Ineligible
CENTRAL STATION FIRE AND BURGLAR	Required	Required	Ineligible



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UNDERWRITING GUIDELINES FOR NEW BUSINESS

Risks with one or more of the following are unacceptable risks that generally result in a declination of new business:

Ineligible Persons

- A. A person who has been successfully denied, within the immediately preceding five-year period, payment by an insurer of a claim under a home insurance policy based arson, conspiracy to commit arson, misrepresentation, fraud, or conspiracy to commit fraud, committed by or on behalf of the individual.
- B. A person who insures or seeks to insure a dwelling which is being used for an illegal or demonstrably hazardous purpose.
- C. A person who has been convicted of any of the following crimes:
 - 1. Arson or conspiracy to commit arson;
 - 2. Burglary with explosives;
 - 3. Possession with intent to use unlawfully a device designed to explode upon impact or upon application of heat, or possession with intent to use unlawfully a highly incendiary device;
 - 4. Fraud;
 - 5. Malicious destruction of personal property;
 - 6. Malicious destruction of the property of a Police or Fire Department;
 - 7. Malicious destruction of a house, barn, building, or structure of another;
 - 8. Intent to commit any of the above crimes, conspiracy to commit such a crime, refusing to give incriminating evidence in connection with such a crime, or false pretenses with intent to defraud.
- D. A person whose policy of home insurance has been canceled because of non-payment of premium within the immediately preceding five-year period.
- E. A person whose real property taxes with respect to the dwelling insured or to be insured are delinquent, however we would not deny insurance coverage solely on the basis of information from a credit report.
- F. A person who insures or seeks to insure a dwelling that has physical conditions that present a likelihood of a loss under a home insurance policy. Refer to Unacceptable Risks Due to Physical Conditions section.
- G. A person who refuses to allow an inspection of the premises for which insurance is being requested or provided.



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UNDERWRITING GUIDELINES FOR NEW BUSINESS (continued)

Ineligible Persons (continued)

- H. A person who refuses to purchase an amount of dwelling insurance for the property insured or to be insured, where the insurance amount is equal to at least:
 - 1. 100% if the loss settlement basis is Extended Replacement Cost;
 - 2. 90% if the loss settlement basis is Verified Replacement Cost;
 - 3. 80% if the loss settlement basis is Conditional Replacement Cost.
- I. A person who refuses to purchase an amount of insurance equal to at least 100% of the actual cash value of the property insured or to be insured under a tenant or renter's home insurance policy.
- J. A person who refuses to purchase an amount of coverage that is equal to at least 90% of the full amount of coverage we recommend for additions and alterations coverage, including any adjustments by us based on appraisals, revaluations and annual adjustments for inflation.
- K. A person in the public eye that creates an exposure that is not contemplated in our rating structure.
- L. A person whose actions demonstrate there is a risk of a moral hazard, which is defined as:
 - 1. The risk, danger, or probability that the insured will destroy or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction; or
 - 2. The substantial risk, danger, or probability that the character, circumstances, or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible.
 - 3. Any change in the character or circumstances of an individual, corporate structure, partnership or other insured that will increase the probability of such a loss or liability.

Unacceptable Risks due to Physical Conditions

- A. Dwelling not used exclusively for personal private residential purposes including
 - 1. A dwelling which contains an incidental office, private school, studio or church operations which exceeds 50% of the total floor area of the dwelling;
 - 2. A dwelling which functions as a Bed and Breakfast Operation with more than two rental units;
 - 3. A dwelling regularly rented to others on a day, week or weekend basis;
 - 4. A dwelling which functions as a Day Care center which generates annual gross revenues in excess of \$5,000. A Day Care Center under this section is acceptable if the following 4 criteria are present:
 - 1) the residence is an owner occupied residence of four or fewer units; and
 - 2) it is the family child care provider's primary residence; and
 - 3) the Maine Department of Health & Human Services has certified the provider under 22 MRSA 8301-A(3); and
 - 4) the provider has commercial liability with medical payments coverage equivalent to the amount in the Masterpiece policy.



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5. A dwelling which is subject to rating as a Farm and Ranch
6. A dwelling in which any business pursuit of the insured generates annual gross revenues in excess of \$15,000.

UNDERWRITING GUIDELINES FOR NEW BUSINESS (continued)

Unacceptable Risks due to Physical Conditions (continued)

- B. The unoccupancy of a dwelling for more than 60 days, if there is an intent to vacate or keep the premises vacant or unoccupied.
- C. Dwellings where the physical condition of the property is not up to applicable national, state, or local codes.
- D. Non-high rise Dwellings that possess any of the following roof characteristics:
 1. Flat roofs;
 2. Wood roofs that are in an unacceptable condition;
 3. Tile or metal roofs that are in an unacceptable condition;
 4. No overlay of composition shingles;
 5. Roofing sections that are missing, worn out or unrepaired;
 6. Excessive curling or splitting of shingles.
- E. Dwellings that have insufficient functional burglar alarms, smoke detectors, and/or associated heat sensors.
- F. Dwellings which are not reasonably accessible to the local fire department.
- G. Dwellings with visible mold.
- H. The existence of an adjacent physical hazard which increases the likelihood of a loss.
- I. The hazardous storage of any substance that could contribute to or increase the severity of the fire risk or cause a health hazard.
- J. Dwellings that have damage associated with a claim improperly repaired.
- K. Any House, or Non-high-rise Condo with one or more pressurized plumbing system related water losses, within the past 3 years, which are unmitigated through the installation of an automatic water shut-off device.



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CANCELLATION GUIDELINES

Risks with one or more of the following are unacceptable risks and will generally result in a cancellation of the homeowners policy:

- A. Nonpayment of premium
- B. Conviction of a crime having as one of its necessary elements an act increasing any hazard insured against
- C. Discovery of fraud or material misrepresentation by any one of the following:
 - 1. The insured or the insured's representative in obtaining the insurance, or
 - 2. The named insured in pursuing a claim under the policy
- D. Discovery of either:
 - 1. Negligent acts or omissions by the insured substantially increasing any of the hazards insured against, or
 - 2. Failure to disclose a material fact in relation to the application for insurance that would, if coverage is effectuated without knowledge by the insurer, substantially alter the terms of the policy
- E. Violation of terms or conditions of the policy
- F. Physical changes in the insured property that result in the property becoming uninsurable
- G. The insured property is vacant and custodial care is not maintained on the property;
- H. The presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;
- I. The presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in noncompliance with those standards for 30 days after notice by the insurer of the defective condition and intent to cancel the policy;
- J. A loss from a dog bite, unless, after notice of cancellation is received, the insured removes the dog; or
- K. Failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.



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NONRENEWAL GUIDELINES

Risks with one or more of the following are unacceptable risks and will generally result in the non-renewal of the homeowners policy:

- A. A good faith reason and related to the insurability of the property
- B. Nonpayment of premium
- C. Conviction of a crime having as one of its necessary elements an act increasing any hazard insured against
- D. Fraud or material misrepresentation by either the insured, or the insured's representative, in obtaining insurance or pursuing a claim
- E. Discovery of negligent acts or omissions by the insured which increases any hazard
- F. Failure to disclose a material fact in relation to the application for insurance that would, if coverage is effectuated without knowledge by the insurer, substantially alter the terms of the policy
- G. Violation of terms or conditions of the policy
- H. Physical changes that result in the property becoming uninsurable
- I. The insured property is vacant and custodial care is not maintained on the property
- J. The presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice
- K. The presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in noncompliance with those standards for 30 days after notice by the insurer of the defective condition and intent to cancel the policy
- L. A loss from a dog bite, unless, after notice of nonrenewal, the insured removes the dog
- M. Failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer