

**MAINE
Pre- SRM**

ENCOMPASS ONE POLICY GENERAL REQUIREMENTS

We recognize that these criteria cannot cover every conceivable situation and reserve the right to deviate where appropriate. If any of our criteria are in conflict with applicable state laws the criteria will not apply.

INSURABLE INTEREST

- Policy must be in the name of an individual or individual and spouse/ domestic partner
- 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, Limited Liability Corporations (LLC), Limited Liability Partnerships (LLP), Partnerships or Public Entities. As such they are not to be listed as named insured, additional insured or additional interest with the **following exceptions:**

- **Limited Liability Corporations (LLC) and Limited Liability Partnerships (LLP)** May be added as an Additional Interest provided the LLC/LLP is solely owned by no one other than our insured, or our insured 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.
- **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 a legal term and should not be listed as the Named Insured. Policy provisions provide the appropriate coverage to the Estate automatically when the insured dies during the policy term. There will be occasions when the policy renews soon after the insured dies 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.
- **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(s) with the legal entity as an additional insured.

APPLICATIONS

The following guidelines apply to any new application or segment added to an existing policy:

- New Business must be submitted electronically and issued within 15 days of the effective date. A copy of the appropriate application(s) must be signed by the Named Insured and the agent and maintained in the agency's file.
- Property Loss Information System/Clue must be run on applicant (s) prior to binding coverage
- Credit history information must be ordered on applicant (s) prior to binding
- Can be bound effective a maximum of 45 days future effective
- Backdating of the policy's effective date is not allowed in any situation
- 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 three years, including any Encompass Company, the risk may not be bound
- No lapse in coverage permitted in the past 12 months

- Any resident in a high profile profession susceptible to personal injury type claims such as libel and slander are ineligible. Such professions include but are not limited to: author, editors or publishers; professional actors, athletes or entertainers; broadcasters or telecasters; public lecturers, politicians or political activists; or any person well known to the general public because of their position, occupation or activities

NEW BUSINESS MORATORIUM

In the event of a catastrophe or impending catastrophe, severe weather watch or warning, Risk Management may invoke a moratorium on new business and endorsement activity. In such events, a written operating standard will be sent to all agents outlining specific requirements to follow. Authority to bind is reinstated after the event has passed.

BINDING AUTHORITY

Primary Residence	Minimum Binding Authority	Maximum Binding Authority	
Dwelling Primary			
PC 1-8	\$ 150,000	\$ 1,500,000	
PC 9	\$ 150,000	\$ 750,000	
PC 10	\$ 150,000	\$ 500,000	
Condo/Co-op	\$ 30,000	\$ 500,000	
Renters	\$ 20,000	\$ 300,000	
Secondary/Seasonal & Non Seasonal Residence			
Dwelling Secondary/Seasonal & Non Seasonal	\$ 100,000	\$ 500,000	
Condo /Co-op	\$ 30,000	\$ 500,000	
Renters	\$ 20,000	\$ 300,000	
Dwelling Fire - PC 1-9 only			
Non owner occupied dwelling	\$ 150,000	\$ 500,000	
Non owner occupied condo contents		\$ 50,000	
Aggregated Scheduled or Blanket Personal Property		\$ 150,000	Single Item Limit
Jewelry		\$ 100,000	\$ 50,000
Fine Arts		\$ 100,000	\$ 50,000
Fur		\$ 100,000	\$ 50,000
Silverware		\$ 100,000	\$ 50,000
Cameras		\$ 25,000	
Stamps		\$ 25,000	
Coins/Collectibles/Trading Cards		\$ 25,000	
Musical Instruments		\$ 25,000	
Golf Equipment		\$ 25,000	
<i>All other SPP items not listed above require prior approval by the Encompass Underwriting Center</i>			

HOME

DWELLING REQUIREMENTS

- Must be written at least 100% of the estimated replacement cost
- Maximum allowable Residence Replacement Value can be up to 150% of the estimated replacement cost
- Secondary/seasonal or rented properties are eligible when the primary residence has been insured with Encompass at least 60 days prior to the application date and the loss experience on primary is acceptable*
- Must be located > 1500 feet from ocean shore

- Must be Protection Class (PC) 1-10
 - PC 9 must be within 5 road miles of first responding Fire Department
 - PC 10 must have private passenger automobile/pickup/van and within 7 road miles of first responding Fire Department
- Maximum of four families for both owner occupied and rental properties
- Maximum of four rental locations with a maximum of four units per location- Encompass must write supporting primary property
- Number of families cannot exceed number of units
- Available property product types are Special, Deluxe, & Elite
- Dwellings must not be in poor condition with unrepaired damage, below average maintenance or marked as condemned, foreclosed, vacant or abandoned

* Dwellings, condominiums and co-operatives owned but not occupied by the insured and rented to others, provided they are not seasonal rentals, are eligible for the dwelling fire segment* However, this policy can be sold to customers who have already decided to purchase a primary residence policy from Encompass and who, at the same time, ask to insure their secondary/seasonal residence with Encompass. Customers who request to purchase only a secondary/seasonal policy and do not have an existing renewable primary residence policy in force at least 60 days should simply be informed that secondary/seasonal condo policies are sold only as an accommodation under those circumstances; they should never be told that if they purchased a primary residence policy at the same time, they could be sold secondary/seasonal policy. Encompass company policy prohibits the sale of a secondary/seasonal policies in any way being conditioned on the purchase of another policy with Encompass, and you must avoid creating even the appearance of violating this company policy.

Central Station Burglar & Fire Alarm Requirements

Residence/Item Type	Amount of Insurance In Excess Of
Primary Dwelling	
PC 1-8	\$ 1,500,000
PC 9	\$ 750,000
PC 10	\$ 500,000
Secondary Seasonal/Non Seasonal Dwellings/Dwelling Fire	
PC 1-8	\$ 1,000,000
PC 9	\$ 750,000
PC 10	\$ 500,000
Condo/ Co-op/Renters	\$ 250,000
Scheduled Personal Property	\$ 300,000
Jewelry	\$ 300,000

PROPERTY RISK PROFILE

- Property rented to or used by others should be written on a Dwelling Fire segment
- Liability-only coverage for property rented to others or owner occupied seasonal/secondary homes can be extended from a primary property – in this case, we must write the primary home
- **Loss Type Definitions:**
 - **Type A** – Fire, Theft, Liability, Vandalism
 - **Type B** – All other losses not identified as Type A or Type C
 - **Type C** –Water Damage Losses
- Any risk with a loss greater than or equal to \$100,000 in the past 5 years must be referred to an underwriter for approval prior to binding
- Any risk with a water loss greater than or equal to \$20,000 in the past 5 years must be referred to an underwriter for approval prior to binding. A property with unmitigated or unrepaired damage from a prior water loss is ineligible
- Risks with a prior water loss will not be allowed to buy up additional mold coverage

<ul style="list-style-type: none"> Risks with a prior mold loss are unacceptable 	
Loss Activity within 5 years	
Max of 1 Type A Loss or	
Max of 2 Type B Losses or	
Max of 1 Type C Loss or	
Max of 1 Type B Loss and 1 Type A or C Loss	
SCHEDULED PERSONAL PROPERTY	
Must be submitted unbound if:	> 1 SPP losses within 3 years
	> 2 SPP losses within 5 years
	> 0 SPP losses with 1 Type A or Type C losses within 3 years
	> 0 SPP losses with 2 Type B losses within 3 years
INELIGIBLE EXPOSURES	
<ul style="list-style-type: none"> Mobile or Manufactured homes Open foundations Island exposures Piers, stilts or pilings Underground oil tanks Homes with any portion of knob & tube electrical wiring Dwellings with market value under 70% of the current replacement cost Dwelling with landmark status or on the National Historic Registry (excluding renters and condos) Dwellings with attractive nuisances including, but not limited to, unfenced pools (gates must be self-closing and self-latching with child proof latch or locking retractable stairs), un-netted and/or unfenced trampolines, skateboard or bike ramps, open pits or wells Whole log homes (excluding renters and condos) Yurt homes, earth homes, and basement homes Flat pack homes Steel construction homes Dwellings in course of construction – unless Encompass currently writes the primary home OR the Builder’s Risk and Theft of Building Materials endorsement is present at new business Homes constructed, renovated or remodeled by someone other than a licensed contractor Dwellings of obsolete, unique or irreplaceable construction Converted to dwelling purposes from another use Relocated Dwellings True Farming Exposures <ul style="list-style-type: none"> Income from the farm exceeds \$5,000 annually or More than 5 head of livestock or horses or Horses are boarded for others or More than one tractor, other than a lawn or garden tractor, or any true farm machinery or Any farm employees or transient laborers or Any manufacturing or processing activities (creameries, milk distribution, etc.) or Any public activities such as hayrides, hunting, fishing or camping Properties located on unpaved roads, or roads not passable in all seasons Properties with Monitor Direct Vent Home Heating System as primary heating source, supplemental heating by coal or kerosene stoves or multiple space heaters Wood burning stoves in PC 10 Dwellings without central heating, unless in warm climate or seasonal dwelling Failure or refusal by any applicant to allow an inspection of the premise for which insurance is being requested or provided 	

- Risks with unacceptable inspection results
- Unapproved roofs including but not limited to: tarpaper, T-lock, Thermoplastic Polyolefin (TPO), metal (other than copper, Pro-Panel, or other approved metal), aluminum and wood (other than treated cedar shake)
- EIFS/Dryvit (pre 1996) and any other uncommonly used building material
- Composition or composite roofs with more than two layers of shingles
- Properties in known wave wash, sinkhole, pollution, landslide or cave-in area
- Properties in flood zones A and V without an active flood policy
- Properties within 100 feet of a commercial or industrial property
- Properties within 1,000 feet of brush area
- Boat houses as primary residences
- Structures with more than four stories (excluding condo/renter/co-op)
- Units rented or leased to others during any part of the year
- Dwellings with commercial exposures or non-incident business on the premises where the business is not eligible for Encompass Homework Endorsement
- Risks in which the applicant or any other occupant of the dwelling, owns or keeps on the premises a vicious or dangerous dog, a wild or exotic animal (or mix thereof), or any animal that has shown a propensity to be vicious or dangerous. A dog or animal is considered dangerous if any of the following apply:
 - Encompass or any other carrier has paid a claim as a result of an injury caused by the animal's bite
 - A medical report reflects injuries were caused by the animal, whether or not a claim was made
 - Documentation from a state or local agency demonstrates the animal has vicious or dangerous propensities
 - Possession, ownership or harboring of the animal is unlawful

SCHEDULED PERSONAL PROPERTY

- Primary residence schedule total or blanket item is > 50% of residence replacement value or single item (not including blanket item) > 50 % of residence replacement value must be submitted unbound
- Primary Condo total or blanket item is > 50% of contents replacement value coverage or single item (not including blanket item) > 35 % of contents replacement value coverage must be submitted unbound
- Primary Renter total or blanket item is > 50 % of contents replacement value coverage or single item (not including blanket item) > 10% of contents replacement value coverage must be submitted unbound
- Detailed appraisal/bill of sale within 3 years are required for all scheduled items:
 - Items valued ≥ \$25,000 should be retained by the agent for future underwriting audits
 - Items valued ≥ \$50,000 must be submitted to the Encompass Underwriting Center

INELIGIBLE:

- Known collectors, dealers, exhibitors
- Persons who travel excessively
- Items located in dwellings other than primary residences
- Fine Arts that are loaned or exhibited

WOOD BURNING STOVE REQUIREMENTS

- Property must be owner occupied
- UL approved
- Wood stove, pipe and chimney cleaned and inspected annually
- Installed by a professional contractor or dealer to manufacturer specifications
- Used only as supplemental or occasional heat
- Chimney extends at least 3 ft. above the highest point where it passes through the roof and is at least 2 ft. higher than any portion of the dwelling that is within a 10 ft. radius
- Chimney must have a flue liner
- Chimney free of any defects (missing bricks, broken mortar, cracks, etc.)
- A minimum of 36 inches between the stove and the wall
- A minimum of 36 inches between the stove and any combustibles (drapes, furniture, carpets, wood, etc.)
- Only one stove connected to the same chimney

- Must have heat shields on the wall
- Stove is on an approved mat that is at least 4 inches thick
- Mat must extend out at least 18 inches from the front and sides of the stove
- Stove pipe may not pass through any concealed area (attic, closet, etc.) or any floor ceiling assemblies
- Stovepipe may not pass through an exterior wall or window without connecting to a chimney leaving the pipe exposed
- Stovepipe may not have more than two right angle turns between the stove and chimney
- Stovepipe passing through a wall must be protected by an approved thimble and be at least 18 inches from the ceiling
- Stove legs may not be elevated on blocks of wood

COURSE OF CONSTRUCTION ENDORSEMENT

25% or more increase in dwelling value require the following:

- Must be written with private passenger automobile/pickup/van support and have existing primary home coverage with Encompass Insurance
- Dwelling should be written at completed value – maximum completed value for a course of construction exposure is \$1,000,000
- Minimum deductible \$1,000
- Insured cannot be acting as general contractor unless certified as a licensed contractor within state where the dwelling is located.
- 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
- Dwelling must be located in protection class 1 through 8
- Coverage will be provided with the Real Property Replacement Cost Coverage loss settlement option
- For dwellings over \$1,000,000 once enclosed, a centrally monitored fire and burglar alarm is required
- Dwellings should be completed and occupied within 180 days. Homes over \$500,000 should be completed within one year.
- New dwelling or alarming credits do not apply until construction is completed

HOMEWORK ENDORSEMENT

The home-based business must meet the following criteria to be eligible for the HomeWork Endorsement:

- The business type must fall within one of the eligible classes specified in the list below and applies to the primary residence location only
- The business must be structured as:
 - An individual proprietorship or named insured/spouse;
 - A LLC or LLP when the LLC/LLP is solely owned by no one other than the named insured/spouse; or
 - A Trust when the named insured/spouse and trustee is the same individual.
- Additional insureds can be added using the HomeWork Additional Insured Amendment
- Businesses with more than 2 employees, not including the named insured/spouse are ineligible
- Maximum allowable sales/receipts is \$300,000
- Use of subcontractors cannot exceed 10% of sales/receipts
- The business must be operated out of the insured's primary residence, which is used for dwelling purposes. A residence premise includes the primary residence grounds and other/detached structures.
- A signed copy of the Homework Endorsement application must be submitted unbound and approved by underwriting prior to binding if the named insured/spouse has had a Type A loss in the past 5 years

HOMEWORK SUPPLEMENT ELIGIBLE BUSINESS

Accounting, Bookkeepers, Auditing Clerks	Designers	Lawyers	Securities and Financial Services
Adjusters	Dressmaking/Tailoring	Leather Goods	Shopping Services
Appraisers	Economists	Management Consultants	Stained-Glass Products
Architects	Editors/Proofreaders	Market Research	Telemarketing/Direct Mail Service
Art/Music/Instructors	Educational/Vocational Counselors	Musical Instrument Repair	Telephone Answering Services
Camera Repair	Engineers	Painters	Training
Ceramics/Pottery	Engraving	Psychologists	Translators
Clock Repair	Financial Advisors/Planners	Quilt Making	Travel Agents/Travel Planners
Clothes	Home Decorating Sales	Real Estate Sales	Tutors
Computer Programmers	Household Product Sales	Resume Services	Watch Repair
Data-Entry Clerks	Insurance Sales	Sculptors	
Dentists	Interior Designers	Secretaries/Stenographers/Typists	

HOME DAY CARE ENDORSEMENT

1. The policy must cover a family child care provider's primary residence.
2. The Maine Department of Health & Human Services must have certified the provider under 22 M.R.S.A. section 8301-A(3).
3. The provider must have proof of liability coverage for the family day care business with medical payments coverage greater than or equal to that coverage in the homeowners policy.

Note: We may solicit supporting documentation of certification and adequate liability limits in order to maintain coverage.

The above rules do not apply to the insured's own children