

# General Underwriting Rules and Guidelines

All Underwriting sections apply to New Business, Endorsements and Renewals. Unless specified, rules not in effect at the inception of the original policy or subsequent renewal, will not be applied unless there was a material change in the insured risk or a new loss has occurred.

Underwriting rules and guidelines pertain to all entities and/or individuals to be listed on our policy as a Named Insured, including Named Insureds listed under the additional interest section of the policy.

## UNACCEPTABLE PHYSICAL CHARACTERISTICS

### APPLIES TO ALL USE TYPES

1. Vacant homes, excluding new purchases that will be occupied within 60 days of the policy effective date. (For definition of vacant, refer to *Definitions* section).  
**NOTE:** These vacant homes may qualify for coverage under the Dwelling Fire program.
2. Homes not fully installed and connected to permanent water, sewer or electric utility service.  
**NOTE:**
  - May be acceptable for owner-occupied risks if fully installed and connected to utilities within 60 days of the policy effective date.
  - If electric supply is not from a public utility service.
 Refer to *Underwriting Approval* section.
3. Homes that are undergoing major renovation (For definition of 'under major renovation' refer to *Definitions* section) when:
  - a. Construction began more than 12 months prior to the policy/coverage endorsement effective date **and/or**
  - b. Currently not fully enclosed **and/or**
  - c. Work will not be completed within 90 days of the policy/coverage endorsement effective date **and/or**
  - d. Not constructed by a licensed contractor.**NOTE:** Foremost does not offer a Builder's Risk policy.
4. Homes where the number of occupants exceeds code/ordinance.
5. Properties with auto repair, beauty salons or other business activities that pose an increased physical hazard.  
**NOTE:** Business activities that pose no increased physical hazard may be eligible. Refer to *Unacceptable Liability* section and *Underwriting Approval* section for further guidelines.
6. Properties where illegal activity, trade or business is conducted on the premises.
7. Homes that are in the process of foreclosure or repossession, when:
  - a. There has been a lapse in coverage **and/or**
  - b. The condition of the home is below average or the property exhibits a lack of maintenance.**NOTE:** Once the foreclosure or repossession process has been completed, the risk may be eligible. All proceedings must be finalized including the expiration of any redemption period and prior occupants have vacated the dwelling.
8. Homes condemned due to condition, urban renewal, highway construction or other similar reasons.
9. Homes on islands with no fire protection or in isolated areas not accessible year round by a road.
10. Homes located in brush or forest fire areas.
11. Homes located in a National Park.
12. Rebuilt homes, including salvaged units, unless the unit has been approved by a state, county or local official. Refer to *Required Materials* section for documentation.
13. Homes/Other Structures that are structurally unsound or have unrepaired damage including damage resulting from water.
14. Homes without heat, electric and plumbing systems or have materials or systems that are inadequate, obsolete or in need of repair, including but not limited to:
  - a. Polybutylene plumbing materials
  - b. Buried bare steel tanks or any liquid fuel tank that shows signs of deterioration
  - c. Aluminum wiring.

15. Homes including other structures with:
  - a. A homemade or kit auxiliary heating device
  - b. Any heating device not installed to the local building code or to the manufacturer's specifications
  - c. Portable kerosene space heaters
  - d. Permanent space heaters attached by wall mounting or fuel supply lines as the primary heating system UNLESS the heater is:
    - UL-approved **and**
    - Approved by the local building inspector, meets local building codes or is commercially installed **and**
    - Thermostatically controlled.
  - e. A fireplace, woodstove or portable heating device used as the only source of heat (not applicable when located in an other structure). A portable heating device is defined as those that are not secured to the home by wall mountings or gas lines.

### ALL OWNER-OCCUPIED PROPERTIES

1. Travel trailers, including stationary.
2. Park model homes that are less than 10 feet wide.
3. Homes that are rented to others.
4. Homes where more than two roomers or boarders reside, including those in foster home/facility or assisted living care.
5. Homes with more than three owners when not members of the same primary household.
6. When the Named Insured is a Land Trust or a business, including a corporation or lending institution. For LLC exception, refer to definition of Business Name on *Definitions* section.
7. Properties with an outbuilding:
  - a. In poor physical condition or not properly maintained, unless the Specific Structure Exclusion endorsement is attached to the policy and presents no additional liability hazard.
  - b. Owned by the applicant/insured that are a site-built home or manufactured home when used on a continuous basis for residential living, unless the Specific Structure Exclusion endorsement is added.**NOTE:** These excluded structures may be eligible under a separate policy.

### TENANT

1. Tenants living in homes where more than two roomers or boarders reside, including those in foster home/facility or assisted living care.
2. When the Named Insured is an entity.

### RENTAL PROPERTIES

1. Modular homes.  
**NOTE:** Modular homes may qualify for coverage under the Dwelling Fire program. (For definition of modular, refer to *Definitions* section.)
2. Occupied as rooming houses including those used in foster home/facility or assisted living care, fraternities, sororities, student housing or other similar types of occupancies.
3. Homes when occupied by more than three unrelated individuals.
4. Property Management Company or a Mobile Home Park as Named Insured, unless listed on the deed.
5. When the Named Insured is a Land Trust.
6. Properties with an outbuilding in poor physical condition or not properly maintained, unless other structure coverage is not provided and the structure presents no additional liability hazard.

## General Underwriting Rules and Guidelines (continued)

### UNACCEPTABLE PERSONAL CHARACTERISTICS

#### APPLIES TO ALL USE TYPES

1. Applicant/Insured without legal capacity to enter into a contract.
2. Applicant/Insured designated by the Office of Foreign Assets Control who is listed on the Specially Designated Nationals List.
3. Applicant/Insured, spouse or member of the household convicted of a felony within the past five years that can be related to the exposures involved and coverages of a property policy, Physical Damage and/or Liability. Examples include but are not limited to:
  - a. Arson or attempt to commit arson
  - b. Burglary, theft, robbery or malicious destruction of property
  - c. Fraud, forgery, falsifying claims or evidence
  - d. Homicide, reckless injury, crimes involving weapons
  - e. Crimes against children, sexual assault or abduction.
4. Applicant/Insured with prior intentional or careless fire losses at any property owned and/or occupied within the past five years.

### UNACCEPTABLE LIABILITY CHARACTERISTICS

#### APPLIES TO ALL USE TYPES

1. Properties with:
  - Physical defects such as missing, broken or improperly constructed handrails, steps or sidewalks
  - Excessive debris
  - Attractive nuisances.
2. Properties with a Jacuzzi/hot tub where a cover is not placed over the unit when not in use.
3. Properties with multiple homes on the same premises when there are common grounds on the same premises such as; a clubhouse, playground, beach, pool, pond, bathhouse, laundry facility, a rental office or parking lot.  
**NOTE:** A small parking lot used only for the home occupants would be acceptable.
4. Properties with business activities, excluding primary farm/ranch operations. Liability may be available when primary owner-occupied and business is incidental; refer to *Underwriting Approval* section.  
**NOTE:**
  - Business activities that pose no increased physical hazard may be eligible without liability (Secondary Use only); refer to *Underwriting Approval* section.
  - Risks with liability are unacceptable if day care services (including child, adult or pet care) are conducted on premises.**EXCEPTION:** Owner-occupied or tenant properties that provide licensed child care services are acceptable. Proof of the child care certification and coverage under a Business Liability Policy, which includes Medical Payments coverage, is required.

#### ALL OWNER-OCCUPIED PROPERTIES

1. Applicant/Insured or any person who resides at the home who own, keep or shelter potentially dangerous dogs or animals that have caused harm, when the Animal Liability Exclusion endorsement is not added.
2. Properties with pools (over 2.5 feet deep) must have a fence minimum four feet high (fully enclosing the pool) AND a self-locking gate. EXCEPTIONS for above ground pools:
  - a. Pools with a deck (at least four feet high) and have a self- locking gate.
  - b. Pools without a deck must have sides at least four feet high and a retractable ladder.

#### TENANT PROPERTIES

1. Applicant/Insured or any person who resides at the home who own, keep or shelter potentially dangerous dogs or animals that have caused harm, when the Animal Liability Exclusion endorsement is not added.
2. Properties with pools (over 2.5 feet deep) must have a fence minimum four feet high (fully enclosing the pool) AND a self-locking gate.  
**EXCEPTIONS** for above ground pools:
  - a. Pools with a deck (at least four feet high) and have a self-locking gate.
  - b. Pools without a deck must have sides at least four feet high and a retractable ladder.

#### RENTAL PROPERTIES

1. Landlords who permit tenants to own, keep or shelter potentially dangerous dogs or animals that have caused harm.
2. Properties with a pool (over 2.5 ft. deep) or pond on the premises, whether fenced or unfenced.
3. Homes without working smoke detectors.
4. Homes that have bars on windows without quick release.
5. Homes that are titled in a park or dealership name.
6. Properties with multiple homes on the same premises when Liability coverage is requested and Foremost does not write each home.  
**NOTE:** All policies must be written with the same Liability limit. Refer to *Underwriting Approval* section for further guidelines.

## General Underwriting Rules and Guidelines (continued)

### UNDERWRITING APPROVAL

#### Phone for Approval

**(Do not bind coverage or accept money until risk is approved.)**

**Underwriting may require submission of supporting documentation.**

#### APPLIES TO ALL USE TYPES

1. Limits exceeding binding authority.  
Provide information to support the value and condition of the home and/or other structures.
2. Applicant or anyone residing in the home who owns, keeps or shelters any non-domestic animal including an exotic or wild animal. (For definition of exotic animal, see *Definitions* section.)  
**NOTE:**
  - a. An exotic animal that does not create a Liability hazard (such as an Iguana) may be eligible.
  - b. An exotic animal that creates a minimal Liability hazard (such as a Boa Constrictor) may be eligible under the Owner-Occupied program with the attachment of the Animal Exclusion endorsement.
  - c. An exotic animal that creates an excessive Liability hazard (such as a Bear) would be ineligible.
 Provide information regarding the animal and circumstance to confirm no increased Liability hazard.
3. Applicants who have had a prior policy, including Foremost, canceled or nonrenewed for any underwriting reason.  
Provide information regarding the termination. If the reason was due to the condition of the home, provide information to confirm how the condition has been corrected and that all repairs were made.
4. Applicant/Insured who has had any of the following losses in the past five years:
  - a. A theft or liability loss of more than \$2,500
  - b. Three or more losses of any kind
  - c. A water loss of more than \$5,000
  - d. Two or more water losses resulting from the same cause.
 Provide details regarding the loss date, amount paid, cause and any information about how the condition that caused the loss was corrected and what repairs were made.
5. Applicant/Insured with any prior FIRE loss at ANY property owned and/or occupied in the past five years.  
Provide details regarding the loss date, amount paid, cause and any information about how the condition that caused the loss was corrected and what repairs were made. Lack of information or an undetermined cause may be unacceptable.
6. Properties with business activities, including primary owner-occupied and business is incidental. Farms/Ranches are acceptable and do not need approval when Use Type is Primary Farm/Ranch.  
**NOTE:** Auto repair and beauty salons are unacceptable. Daycare services (child, adult, and pet care) are unacceptable with liability unless the property is a primary owner-occupied or tenant use type and provides certified child care services. Proof of the child care certification and coverage under a Business Liability Policy, which includes Medical Payments coverage, is required.  
Provide information about the type of business conducted, any activities associated with the business and any equipment or materials used for the business that are kept on premises, to confirm no increased exposure. Include details about any on premises activities that involve visits by customers, vendors, employees or deliveries. See endorsement section for information about optional Incidental Business Liability coverage.
7. Homes not connected to electric utility services but which have their own independent solar, wind generator or hybrid power system.  
Provide information regarding generating equipment and details of how the system works, who installed it and how long the manufactured home has been operating on the system.
8. Homes under construction or major renovation when: (N/A Tenant)
  - a. Construction began less than 12 months prior to the policy/coverage endorsement effective date and
    - b. It is currently fully enclosed and
    - c. Work will be completed within 90 days of the policy/coverage endorsement effective date and
    - d. It was constructed by a licensed contractor.  
Provide information to confirm the risk meets the stated requirements including when the work will be completed, how long has it been under construction, the credentials of the person doing the work and what is left to be finished. The home limit must incorporate the completed value of the construction or renovation.
9. Any addition that includes heating or plumbing, and was not approved by a state, county or local official. This includes: (N/A Tenant)
  - a. Two different manufactured homes joined together or
  - b. A dwelling joined to the manufactured home.  
Provide information regarding the size and use of the addition. Explain who did the work and what was done and when it was completed.
10. Homes raised more than 4 ft. on any side, and not approved by a state, county or local official. Steps and decks must include railings with spindles. (N/A Tenant)  
Provide information about why the home was raised and who did the work.
11. Risks with unusual exposures or increase in hazards not previously addressed.  
Provide information about the risk to confirm it meets our underwriting guidelines.

#### ALL OWNER-OCCUPIED PROPERTIES

1. Homes that are not fully installed or connected to utilities but will be within 60 days of the policy effective date.  
**NOTE:** Homes not fully installed or connected to utilities within 60 days are unacceptable.  
Provide information regarding why the manufactured home is not installed or connected to utilities, who will set up the home and when it will be occupied. Review need for trip coverage.
2. Premises with other structures 1200 sq. ft. or more, with existing damage or in need of repair, excluding cosmetic.  
**NOTE:** Owner-occupied risks may require the attachment of the Specific Structure Exclusion endorsement.  
Provide information regarding condition of the other structures, any plans for repair, size and describe usage.
3. Other structures owned by the applicant/insured that are a manufactured home or site-built home that is not used for residential living.  
Provide information regarding use and condition of structure.
4. Homes less than 10 ft. wide.  
Provide year, make and model information to confirm the risk is not a Park model less than 10 ft wide. (not including slide-outs) or a travel trailer. If year, make and model are unknown or unit type cannot be confirmed, photos may be requested. Older manufactured homes under 10 ft wide are acceptable.

#### RENTAL PROPERTIES

1. Schedules for multiple properties when:
  - a. Total aggregate limit of all homes is greater than \$500,000 or
  - b. When more than 19 homes are to be insured.  
Provide information to confirm coverage amount equals requested value and the Supplemental Rental Manufactured Home Worksheet, Form 736031.
2. Other structures on the premises that are a manufactured home, site-built home, farm building or is larger than 1200 square feet.  
Provide information regarding condition of the other structure, size and describe usage.