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## Maine Homeowner Underwriting Guidelines

### Farmers Casualty Insurance Company (FCAS)

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We reserve the right to use judgment in evaluating the acceptance of each risk presented to us and making exceptions for valid underwriting and business reasons.

These guidelines do not apply to the extent they are in conflict with any applicable state laws.

These guidelines will apply to all new business, **except** that which meets any of the following criteria: 1. Any policy being rewritten as a result of a 'life event' scenario in order to prevent the customer's loss of a discount relating to the customer's tenure, 2. Any existing customer in a different writing company adding a new property line of business to a GrandProtect<sup>®</sup> or Combo<sup>SM</sup> policy package, 3. Customers associated with group accounts whose customized automated processes are not yet enabled to interface with Farmers Casualty Insurance Company systems, or 4. Policies being acquired from new business brokers whose business models don't allow for the use of multiple policy-writing platforms for existing and new business.

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### Unacceptable Risks

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#### Occupancy/Use:

- Vacant, foreclosed, abandoned, or condemned property.
- Property that is unoccupied and held for sale.
- Commercial property (except incidental business on the property).
- Properties used for the purpose of assisted living, nursing home, or group home facilities.
- Properties in the name of a business, Limited Liability Corporation, Limited Partnership, Corporation, or land trust.
- Properties with a farm where farming/farm rental is the primary source of income.
- Properties rented to others greater than 30 days (including portions of the property rented to others).

#### Prior Losses:

- Property with current evidence of water damage or mold.
- Unrepaired damage to the property being insured.
- 2 or more losses of any type within the 5-year period prior to the date of application.
- 1 or more home liability losses within the 5-year period prior to the date of application.
- 1 or more home fire losses within the 5-year period prior to the date of application and Location Fire Score > 525.
- Property with prior sink hole claim(s).

*Special Note: In accordance with MRS Title 24-A, Chpt 41, s.3058, the company will not refuse to issue a property insurance policy subject to this subchapter for the sole reason that a previous owner of the property submitted claims for losses to the property.*

#### Fire Risk Level:

- The property is isolated or not easily accessible by fire apparatus due to roadway or terrain conditions.
- Location Fire Score > 525.

#### Major Operating Systems (Electrical, Heating, & Plumbing):

- All major operating systems have not been modernized nor updated in order to meet current codes
- Operating systems have not been properly maintained, have unrepaired defects, or have any building or fire code violations
- Homes with active knob & tube wiring
- The residence does not have circuit breakers and 100 amperage service per unit
- Homes with galvanized or polybutylene pipes
- The residence does not have Copper, PEX or CVPC plumbing for water supply lines
- The residence does not have a central heating system

#### Additional Company Review Required

- Heating system over 30 years old

#### Roofing:

- Roofs where it is visually evident that repair or replacement is necessary (i.e., major wear and tear, splitting, curling, broken or missing shingles, tiles, or slate, sagging or badly uneven roofs, or unvented roofs).
- Roof Age over 20 years old (excludes lifetime material such as tile, metal, or slate).
- Wood or flat roofs over 10 years old.
- Any flat roof when the home year of construction is over 20 years old.
- Vegetative roofs, multi-layer composition roofs, T-Lock shingles and tin roofs are not eligible.

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**Foundation:**

- Any homes not built on enclosed foundations or concrete slabs.
- Property built on a severe slope or hillside construction.
- Property built on landfill sites or geologically unstable land.

**Construction Type:**

- Dwellings or condos listed in the National Registry of Historic Places.
- Dwellings where unique construction characteristics are not contemplated in the calculation of replacement cost.
- Properties with EIFS or Dryvit siding, and year of construction is older than 2009.
- Dwellings with any construction material that contains asbestos, including, but not limited to, roofing, siding, insulation, paint, and flooring.
- All manufactured and mobile homes are ineligible.

**Condition of Property:**

- All property including dwelling and outbuildings must be free of any observable hazards or deficiencies in need of repair that present an increased exposure to physical damage or liability loss.
- Property where trees, shrubs, and brush are not properly maintained or a safe distance from the dwelling and/or other structures.

**Additional Risk Characteristics:**

- Any dwelling property with an adjacent exposure that represents an objectively identifiable hazard which significantly increases the insured risk.
- Homes undergoing renovation or restoration to the extent a permit would be required.
- Unfenced swimming pools.
- Exotic or undomesticated animals unless excluded from coverage.
- Any dog still on the premises with a prior bite history.
- The following dogs: American Staffordshire Terrier, Pit Bull, Bull Terrier, Rottweiler, Dingo, Chow, Presa Canario (a.k.a. Canary Dog or Canary Island Dog), and the Italian Mastiff (a.k.a. Cane Corso) unless excluded from coverage.
- Policies with unacceptable claim, payment, or other history related to insurability.

**Scheduled Personal Property:**

- Items valued at \$25,000 or more and appraisal not received.

**Alarm Systems:**

- Coverage A is \$1.5M or more without professionally installed and professionally monitored fire and burglar systems.
- Renters or condo forms with Coverage C of \$500,000 or more without professionally installed and professionally monitored fire and burglar systems, or no monitored, controlled, or gated access.

**Applicant:**

- New business applications where the Company is unable to verify the claimed identity of the applicant or named insured.
- Applicants who have been convicted of insurance fraud, who have committed fraud, committed arson, or material misrepresentation in connection with an application for insurance or claim.
- Applicants who have had a policy cancelled or non-renewed by us because of an unauthorized payment(s) in connection with an application or policy.
- Any policy issued when there is outstanding premium and fees due on a previous account with one of the insurers that is part of the Farmers Insurance Group. Regardless of the reason for the termination, any outstanding premium and fees for that terminated policy must be collected before a new home policy is issued.
- Applicants without continuous insurance coverage unless first time home purchase (excluding renters).
- Unacceptable Personal Financial Management (PFM) E-H when the year of construction is prior to 1980 (excludes renters).

**Insurance to Value:**

- When Extended Protection for buildings, Guaranteed Rebuild for dwelling, or Blanket Property- Guaranteed Rebuild applies as the building property loss settlement, dwellings which are not insured to 100% of the estimated cost to rebuild are ineligible.
- When Coverage A is less than 80% of the estimated replacement cost the home is ineligible.

**Dwelling Units:**

- Homeowners (including Seasonal):
  - > 4 Dwelling Units/Families

**Landlord Rental Dwelling (non-owner occupancy):**

- > 4 Dwelling Units/Families
  - 4/8 Rule (combined > 4 Properties and/or > 8 units ineligible)
- 2 or more losses of any type within the 5-year period prior to the date of application.
- Properties with a coal, wood or pellet stove.

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**Landlord Rental Dwelling – Continued (non-owner occupancy):**

- Properties rented to others as short-term rental, weekly, or seasonal rental.
- Properties with a swimming pool (fenced or unfenced).

**Additional Company Review Required**

- 1 or more fire losses within the 5-year period prior to the date of application.
- 1 or more losses on the residence premises (prior ownership)
- > 2 Dwelling Units/Families or > 2 Rental Properties

**Seasonal/Secondary Properties:**

- Monoline risks with losses within the last 5-year period prior to the date of application.
- Monoline risks and Location Fire score >420.
- Risks with Coverage A of \$500,000 or more with no monitored central station fire and burglar alarm system are prior approval.
- The liability limit on the secondary or seasonal home must match that of the primary home.

**Lead Liability:**

- Any multi family dwelling or property held exclusively for rental and constructed prior to 1978 where a lead safe certification has not been provided to the company, if requested.

**Earthquake and Volcanic Eruption Coverage (excluding Renters and Condo)**

- Earthquake Coverage may not be written at any time an earthquake of 5.0 magnitude or greater has occurred anywhere in the state within the last 15 days, and/or when the company has announced an earthquake coverage moratorium.
- Properties built on piers, pilings, stilts, or other open foundations.
- Properties built on landfills, cliffs, ridges or bluffs.
- Log home construction.

**Additional Company Review required:**

- Any prior earthquake loss.
- Un-reinforced brick or masonry construction.

**Brush and Wildfire Risks:**

- Any property in areas where either an evacuation order has been issued by the authorities as a result of encroaching wildfire, or the company has issued a moratorium.
- Wood roofs.
- Isolated property or property not easily accessible by fire apparatus due to rough terrain.

**Additional Company Review Required:**

- Any risk within 1000 feet of a brush zone, or within 2500 feet (1/2 mile) of a forested area or preserve.
- Any property with Location Fire Score > 525

**Coastal Risks:**

All property risks are Ineligible if:

- The National Hurricane Center has issued a hurricane or tropical storm watch or warning for coastal areas.
- The Company has announced a moratorium

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**Prior Approval Required**

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**Scheduled Personal Property:**

- Single item(s) with value of \$50,000 or greater.
- Aggregate SPP total > \$200,000.

**Limits:**

- Homeowners:
  - Coverage A > \$1,500,000
  - Coverage A < \$100,000
- Homeowners Seasonal:
  - Coverage A > \$500,000
  - Coverage A < \$100,000
- Condo and Landlord Condo (non-owner occupancy):
  - Coverage A > \$300,000
  - Coverage C > \$250,000
  - Coverage C < \$10,000
- Renters:
  - Coverage C > \$250,000
  - Coverage C < \$10,000
- Landlord Rental Dwelling (non-owner occupancy)
  - Coverage A > \$500,000
  - Coverage A < \$100,000