

COLONIAL LLOYDS

Residential Property Program

**ADMINISTERED BY:
Logic Underwriters Inc**

Underwriting Guidelines - Effective 04/01/08

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Texas Homeowner Policy - FORM A

If construction is Modular or Mobile, please refer to the Form A Mobile Home Guidelines

If risk location is Harris County, please refer to the Restricted Risk section

A. ACCEPTABLE RISK

1. Dwelling must be Owner Occupied
2. Secondary Dwelling (Cannot be used for rental)
3. Property must be in an insurable condition, well maintained, and show "Pride of Ownership".
4. Trampolines
With a signed CL-05-80108 – Trampoline Exclusion only

B. UNACCEPTABLE RISK

1. Vacant Property
2. Property with any type of business on the premises, including farming
3. Commercial Risk, or property converted to private dwelling
4. Apartment houses
5. Swimming Pool (unless completely surrounded by at least a five foot locked, gated fence)
6. Unprotected property not visible from another dwelling
7. In foreclosure
8. Aluminum wiring
9. Asbestos Siding
10. Roofs:
 - (A) Two or more layers
 - (B) Slate
 - (C) Wood Shingle
 - (D) Clay Tiles
 - (E) Expensive Metal, i.e., Alco Rustic
 - (F) Any Roofing over Wood Shingle
11. Space heater with open flame
12. Primary Heat Source:
 - (A) Fireplace
 - (B) Wood burning stove

Must be professionally installed
Must be pre-approved by Managing Underwriter

Texas Homeowner Policy - FORM A

13. Exotic or vicious animals:

- (A) No exotic animals
- (B) No venomous animals
- (C) No wildlife
- (D) No animal with a bite history, regardless of size.
- (E) Canines
 - (1) Pit Bulls, Chows, Dobermans, Rottweilers, German Shepards, and other breeds developed for aggressive behavior.
 - (2) Application must include species, breed, and weight of any dog over 30 pounds.

A signed CL-06-82673 - Animal Exclusion Endorsement may bypass the canine restrictions.

C. WINDSTORM EXCLUSION

1. Property located in Tier One are ACCEPTABLE RISK only if Windstorm Coverage is excluded
2. Application must have signed HO-140 Windstorm, Hurricane, and Hail Exclusion Agreement form attached.

D. COVERAGE LIMITS

1. DWELLING MAXIMUM \$350,000
2. CONTENTS
 - (A) without Replacement Cost 40% of Dwelling
 - (B) with Replacement Cost 60% of Dwelling
3. LIABILITY
 - (A) Maximum \$300,000
 - (B) Medical Payments Maximum \$5,000
4. DEDUCTIBLE
 - (A) Minimum 1%
 - (B) Discount for Higher Deductibles
5. PREMIUM
 - (A) Minimum premium is \$150, plus Policy and/or Inspection Fees
 - (B) Credits cannot reduce premium below \$150

Texas Homeowner Policy - FORM A

E. ENDORSEMENTS

1. HO-160 - Scheduled Personal Property

\$5,000 Per Property Classification

2. HO-161 - Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage</u> <u>Percent</u>	<u>Premium</u>
One	25%	20% of Base
Two	50%	40% of Base
Three	100%	55% of Base

3. CLA-DW-1201 - Replacement Cost Settlement Endorsement - Dwelling 10% of Base
4. CLA-PP-1201 - Replacement Cost Settlement Endorsement - Personal Property 5% of Base
5. CHW-04-72951 - Additional Insured Perils & Limited Water Damage

<u>Water Coverage</u>	<u>Premium</u>
\$5,000	\$50
\$10,000	\$75
\$15,000	\$100
\$25,000	\$125

6. CL-05-80108 -Trampoline Exclusion
7. CL-06-82673 - Animal Exclusion
8. CLA-ERC-0006 – Extended Replacement Cost Coverage. (Must be sold with CLA-DW-1201 Replacement Cost Endorsement).
9. CLA-IG-0010 – Inflation Guard (Increase percentage set by company on 12/31 each year.)

Texas Homeowner Policy - FORM B

F. ACCEPTABLE RISK

1. Dwelling must be Owner Occupied
2. Secondary Dwelling (Cannot be used for rental)
3. Property must be in an insurable condition, well maintained, and show "*Pride of Ownership*".
4. PPC must be 1 - 6.

G. UNACCEPTABLE RISK

1. Vacant Property
2. Property with any type of business on the premises, including farming
3. Commercial Risk, or property converted to private dwelling
4. Apartment houses
5. Mobile or Modular Homes
6. Swimming Pool (unless completely surrounded by at least a five foot locked, gated fence)
7. Unprotected property not visible from another dwelling
8. In foreclosure
9. Aluminum wiring
10. Asbestos Siding
11. Roofs:
 - (A) Two or more layers
 - (B) Slate
 - (C) Wood Shingle
 - (D) Clay Tiles
 - (E) Expensive Metal, i.e., Alco Rustic
 - (F) Any Roofing over Wood Shingle
12. Space heater with open flame
13. Primary Heat Source:
 - (A) Fireplace
 - (B) Wood burning stove

Must be professionally installed

Must be pre-approved by Managing Underwriter

Texas Homeowner Policy - FORM B

14. Exotic or vicious animals:

- (A) No exotic animals
- (B) No venomous animals
- (C) No wildlife
- (D) No animal with a bite history, regardless of size.
- (E) Canines
 - (1) Pit Bulls, Chows, Dobermans, Rottweilers, German Shepards, and other breeds developed for aggressive behavior.
 - (2) Application must include species, breed, and weight of any dog over 30 pounds.

A signed CL-06-82673 - Animal Exclusion Endorsement may bypass the canine restrictions.

H. WINDSTORM EXCLUSION

1. Property located in Tier One are ACCEPTABLE RISK only if Windstorm Coverage is excluded
2. Application must have signed HO-140 Windstorm, Hurricane, and Hail Exclusion Agreement form attached.

I. COVERAGE LIMITS

1. DWELLING MAXIMUM \$350,000
2. CONTENTS
 - (A) without Replacement Cost 40% of Dwelling
 - (B) with Replacement Cost 60% of Dwelling
3. LIABILITY
 - (A) Maximum \$300,000
 - (B) Medical Payments Maximum \$5,000
4. DEDUCTIBLE
 - (A) Minimum 1%
 - (B) Discount for Higher Deductibles
5. PREMIUM
 - (A) Minimum premium is \$250, plus Policy and/or Inspection Fees
 - (B) Credits cannot reduce premium below \$250

Texas Homeowner Policy - FORM B

J. ENDORSEMENTS

1. HO-160 - Scheduled Personal Property

\$10,000 Per Property Classification

2. HO-161 - Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage</u> <u>Percent</u>	<u>Premium</u>
One	25%	20% of Base
Two	50%	40% of Base
Three	100%	55% of Base

3. CL-05-80108 -Trampoline Exclusion

DO NOT USE - Included with the CBW-06-84929

4. CL-06-82673 - Animal Exclusion

5. CBW-06-84929 - Mandatory Special Provisions for Texas

This **mandatory** endorsement **must** be shown on the policy declarations.

6. CBF-06-84929 - Limited Slab or Foundation Access Endorsement

This **mandatory** endorsement **must** be shown on the policy declarations.

7. CLH-ERC-0006 – Extended Replacement Cost

8. CLH-IG-0010 – Inflation Guard (Increase percentage set by company on 12/31 each year.)

Texas Dwelling Policy - FORM 1

If construction is Modular or Mobile, please refer to the Form A Mobile Home Guidelines
If risk location is Harris County, please refer to the Restricted Risk section

A. ACCEPTABLE RISK

1. Property must be in an insurable condition, well maintained, and show "Pride of Ownership."
2. Owner Occupied
3. Tenant Occupied
4. Vacant Property

Please refer to the endorsement section of the Form 1 Guidelines.

B. UNACCEPTABLE RISK

1. Commercial Property
2. Private Dwelling converted from Commercial Property
3. Apartment Houses
4. Portable Building, i.e., Morgan Building, Pacific Yurts
5. Risk in high vandalism areas
6. Unprotected risk that is not visible from another dwelling
7. Aluminum wiring
8. Roofs:
 - (A) Two or more layers
 - (B) Slate
 - (C) Wood shingles
 - (D) Clay Tiles
 - (E) Expensive Metal, i.e., Alco Rustic
 - (F) Any Roofing over Wood Shingle

9. Space heater with open flame

10. Primary Heat Source:

- (A) Fireplace
- (B) Wood burning stove

Must be professionally installed

Must be pre-approved by Managing Underwriter

C. WINDSTORM EXCLUSION

1. Property located in Tier One are ACCEPTABLE RISK only if Windstorm Coverage is excluded
2. Application must have signed TDP-001 Windstorm, Hurricane, and Hail Exclusion Agreement Form attached.

D. COVERAGE LIMITS

1. DWELLING MAXIMUM \$350,000
2. CONTENTS
 - (A) Maximum without Replacement Cost 40% of Dwelling
 - (B) Maximum with Replacement Cost 60%
3. DEDUCTIBLE

Texas Dwelling Policy - FORM 1

- (A) Minimum 1%
- (B) Discount for Higher Deductibles

4. PREMIUM

- (A) Minimum premium is \$150, plus policy and/or inspection fees
- (B) Credits cannot reduce premiums below the \$150 minimum premium
- (C) Premium for issuing a Comprehensive Personal Liability Policy is not included in minimum premium.

E. ENDORSEMENTS

1. TDP-004 – Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage</u> <u>Percent</u>	<u>Premium</u>
One	25%	20% of Base
Two	50%	40% of Base
Three	100%	55% of Base

2. TDP-011 – Vacancy Clause Endorsement

- (A) Must be attached to any vacancy dwelling
- (B) Perils purchased must match perils purchased on Declarations Page
- (C) Must be issued to the end of the policy period to ensure that the insured has the coverage they need. May be removed pro-rata and any unearned portion will be returned to the insured when an occupant moves into the dwelling.

3. CL1-DW-1201 Replacement Cost Settlement Endorsement – Dwelling
10% of Dwelling Premium

4. CL1-PP-1201 – Replacement Cost Settlement Endorsement – Personal Property
5% of Personal Property Premium

5. CDW-04-64162 - Additional Insured Perils & Limited Water Damage
Can only be used if the dwelling is occupied.

<u>Water Coverage</u>	<u>Premium</u>
\$2,500	\$25
\$5,000	\$50
\$10,000	\$75

6. CL1-AL-0176 – Limited Asbestos & Lead Coverage (Must be added to all CLD1 policies.)

7. CL1-ERC-0006 – Extended Replacement Cost. (Must be sold with CL1-DW-1201 Replacement Cost Endorsement).

8. CL1-IG-0010 – Inflation Guard (Increase percentage set by company on 12/31 each year.)

Comprehensive Personal Liability Policy

A. ACCEPTABLE RISK

1. Must have an associated Texas Dwelling Form 1 policy

B. UNACCEPTABLE RISK

1. Commercial Risk
2. Vacant Risk
3. Exotic or vicious animals:
 - (A) No exotic animals
 - (B) No venomous animals
 - (C) No wildlife
 - (D) No animal with a bite history, regardless of size.
 - (E) Canines
 - (1) Pit Bulls, Chows, Dobermans, Rottweilers, German Shepards, and other breeds developed for aggressive behavior.
 - (2) Application must include species, breed, and weight of any dog over 30 pounds.

A signed CL-06-82673 - Animal Exclusion Endorsement may bypass the canine restrictions.

C. WINDSTORM EXCLUSION

Not applicable to a Liability Policy

D. COVERAGE LIMITS

1. The minimum value of the associated dwelling policy must be \$25,000.
2. Medical Payments to Others Limit is \$1,000

<u>Liability Limit</u>	<u>Premium</u>
25,000	\$40
50,000	\$50
100,000	\$75
300,000	\$150

E. ENDORSEMENTS

1. CL-05-82272 - Trampoline Exclusion
2. CL-06-82673 - Animal Exclusion

Texas Dwelling Policy - FORM 1 (Preferred)

If risk location is Harris County, please refer to the Restricted Risk section

A. ACCEPTABLE RISK

1. Owner Occupied
2. Tenant Occupied
3. Public Protection Class must be a "6" or lower.

B. UNACCEPTABLE RISK

1. Commercial Risk
2. Private Dwelling converted from commercial property
3. Modular or Mobile Home
4. Apartment houses
5. Portable building, i.e., Morgan Building, Pacific Yurts
6. Risk in high vandalism areas
7. Unprotected risk that is NOT visible from another dwelling
8. Aluminum Wiring
9. Roofs:
 - (A) Two or more layers
 - (B) Slate
 - (C) Wood Shingles
 - (D) Clay Tiles
 - (E) Expensive Metal, i.e., Alco Rustic
 - (F) Any Roofing over Wood Shingle

10. Space heater with open flame

11. Primary Heat Source:

- (A) Fireplace
- (B) Wood burning stove

Must be professionally installed

Must be pre-approved by Managing Underwriter

12. Property must be maintained in an insurable condition and show "Pride of Ownership."

C. WINDSTORM EXCLUSION

1. Property located in Tier One are ACCEPTABLE RISK only if Windstorm coverage is excluded
2. Application must have signed TDP-001 Windstorm, Hurricane, and Hail Exclusion Agreement Form attached.

Texas Dwelling Policy - FORM 1 (Preferred)

D. COVERAGE LIMITS

1. DWELLING MAXIMUM \$350,000
2. CONTENTS
 - (A) Maximum without Replacement Cost 40% of Dwelling
 - (B) Maximum with Replacement Cost 60% of Dwelling
3. DEDUCTIBLE
 - (A) Minimum 1%
 - (B) Discount for Higher Deductibles
4. PREMIUM
 - (A) Minimum premium is \$150, plus policy and/or inspection fees
 - (B) Credits cannot reduce premiums below the \$150 minimum premium
 - (C) Premium for issuing a Comprehensive Personal Liability Policy is not included in minimum premium.

E. ENDORSEMENTS

1. TDP-004 – Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage Percent</u>	<u>Premium</u>
One	25%	20% of Base
Two	50%	40% of Base
Three	100%	55% of Base

2. CL1-DW-1201 Replacement Cost Settlement Endorsement – Dwelling
10% of Dwelling Premium
3. CL1-PP-1201 – Replacement Cost Settlement Endorsement – Personal Property
5% of Personal Property Premium
4. CDW-04-64162 - Additional Insured Perils & Limited Water Damage
Can only be used if the dwelling is occupied.

<u>Water Coverage</u>	<u>Premium</u>
\$2,500	\$25
\$5,000	\$50
\$10,000	\$75

5. CL1-AL-0176 – Limited Asbestos & Lead Coverage (Must be added to all CLP1 policies.)
6. CL1-ERC-0006 – Extended Replacement Cost. (Must be sold with CL1-DW-1201 Replacement Cost Endorsement).
7. CL1-IG-0010 – Inflation Guard (Increase percentage set by company on 12/31 each year.)

Mobile Home - FORM A

Property must meet All Other Underwriting Guidelines for Texas Homeowner Policy, Form A

A. PROPERTY MUST BE:

1. Tied Down/Properly secured
2. Skirted Front and Back or Continuous Foundation
3. Owner Occupied

B. COVERAGE LIMITS

1. DWELLING MAXIMUM \$75,000
2. LIABILITY
 - (A) Maximum \$300,000
 - (B) Medical Payments Maximum \$5,000
3. DEDUCTIBLE
 - (A) Minimum 1%
 - (B) Discount for Higher Deductibles
4. PREMIUM
 - (A) Minimum premium is \$150, plus policy and/or inspection fees
 - (B) Credits cannot reduce premium below \$150

C. ENDORSEMENTS

1. HO-160 - Scheduled Personal Property
\$5,000 Per Property Classification
2. HO-161 - Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage Percent</u>	<u>Premium</u>
One	25%	20% of Base
Two	50%	40% of Base
Three	100%	55% of Base

3. CLA-DW-1201 Replacement Cost Settlement Endorsement – Dwelling
 - (A) 10% of Dwelling Premium
 - (B) Dwelling must be less than 8 years old
4. CLA-PP-1201 – Replacement Cost Settlement Endorsement – Personal Property (**DO NOT USE**)
5. CHW-04-72951 - Additional Insured Perils & Limited Water Damage

<u>Water Coverage</u>	<u>Premium</u>
\$2,500	\$25
\$5,000	\$50

6. CLA-ERC-0006 – Extended Replacement Cost Coverage. (Must be sold with CLA-DW-1201 Replacement Cost Endorsement)
7. CLA-IG-0010 – Inflation Guard (Increase percentage set by company on 12/31 each year.)

Mobile Home - FORM 1

Property must meet All Other Underwriting Guidelines for Texas Dwelling Policy, Form 1

A. PROPERTY MUST BE

1. Tied Down/Properly secured
2. Skirted Front and Back or Continuous Foundation

B. COVERAGE LIMITS

1. DWELLING MAXIMUM \$75,000
2. DEDUCTIBLE
 - (A) Minimum 1%
 - (B) Discount for Higher Deductibles
3. PREMIUM
 - (A) Minimum Premium is \$150, plus policy and/or inspection fees
 - (B) Credits cannot reduce premium below \$150
 - (C) Premium for issuing a Comprehensive Personal Liability Policy is not included in minimum premium.

C. ENDORSEMENTS

1. TDP-004 - Mold, Fungi or Other Microbes Coverage

<u>Option</u>	<u>Coverage</u> <u>Percent</u>	<u>Premium</u>
One	25%	20% of Base
Two	50%	40% of Base
Three	100%	55% of Base

2. TDP-011 – Vacancy Clause Endorsement
 - (A) Must be attached to any vacancy dwelling
 - (B) Perils purchased must match perils purchased on Declarations Page
 - (C) Must be issued to the end of the policy period to ensure that the insured has the coverage they need. May be removed pro-rata and any unearned portion will be returned to the insured when an occupant moves into the dwelling.
3. CL1-DW-1201 Replacement Cost Settlement Endorsement – Dwelling
 - (A) 10% of Dwelling Premium
 - (B) Dwelling must be less than 8 years old
4. CL1-PP-1201 – Replacement Cost Settlement Endorsement – Personal Property (**DO NOT USE**)
5. CDW-04-64162 - Additional Insured Perils & Limited Water Damage (**DO NOT USE**)
6. CL1-ERC-0006 – Extended Replacement Cost. (**DO NOT USE**).
7. CL1-IG-0010 – Inflation Guard (Increase percentage set by company on 12/31 each year.)

CLAIMS

A. Applicants with the following claims history are UNACCEPTABLE RISKS:

1. History of habitual claims filing as outlined in Prohibited Trade Practices Rule 21.1007.
2. If applicant has ever had insurance cancelled due to claims or moral hazard

A risk with claims history must have the HO-330 or TDP-020 Premium Surcharge Endorsement attached in accordance with the requirements of the State of Texas.

“Natural Causes” would be Catastrophe Losses recognized by the State of Texas

B. Procedures for filing a claim.

1. Completed Claims Notice with contact information, date and time of claim, and description of claim. Make note of accidents where injury(s) are involved.
2. Most recent "declarations page" and amendments.
3. Fax or email all information to Atlas General Agency.

Fax: (888) 754-3311

Email: colonialclaims@atlasgeneral.com

ENDORSEMENTS

Colonial Lloyds offers most endorsements authorized by the Texas Department of Insurance with the following exception(s).

Any endorsement explicitly for or specific to:

TDP-2

TDP-3

HO-C

HO-BT

HO-BC

HO-CON-B

HO-CON-C

HO-170 – Additional Extended Coverage

Colonial Lloyds does not offer this endorsement. However, Colonial Lloyds does offer CHW-04-72951 Additional Insured Perils & Limited Water Damage.

HO-105 – Residence Glass (Unscheduled)

The CHW-04-72951 can also replace HO-105 Residence Glass (Unscheduled). However, unlike the HO-105 the glass coverage is not offered at replacement cost.

The following is a list of Company Endorsements:

Endorsement Number	Description
CL1-DW-1201	Replacement Cost Settlement Endorsement - Dwelling
CL1-PP-1201	Replacement Cost Settlement Endorsement - Personal Property
CL1-AL-0176	Asbestos & Lead Limited Coverage
CL1-ERC-0006	Extended Replacement Cost Coverage
CL1-IG-0010	Inflation Guard Endorsement
CLA-DW-1201	Replacement Cost Settlement Endorsement - Dwelling
CLA-PP-1201	Replacement Cost Settlement Endorsement - Personal Property
CLA-ERC-0006	Extended Replacement Cost Coverage
CLA-IG-0010	Inflation Guard Endorsement
CDW-04-64162	Additional Insured Perils & Limited Water Coverage
CHW-04-72951	Additional Insured Perils & Limited Water Coverage
CL-06-82673	Animal Exclusion Endorsement
CL-05-80108	Trampoline Exclusion - Form A Policy
CL-05-82272	Trampoline Exclusion - Comprehensive Personal Liability
CBW-06-84929	Mandatory Special Provisions for Texas
CBF-06-84929	Limited Slab or Foundation Access Endorsement
CLH-ERC-0006	Extended Replacement Cost Endorsement
CLH-IG-0010	Inflation Guard Endorsement

Credits

1. Optional Credits

Alarms: Central Station Alarms must have an In-Force Certificate every renewal.

- | | | | |
|-----|---|--------------------------|--------|
| (1) | Single Function: | (Burglar or Fire/Smoke) | |
| | Local | | 2% |
| | Remote | | 4% |
| | Central | | 5% |
| (2) | Multi-Function: | (Burglar and Fire/Smoke) | |
| | Local | | 4% |
| | Remote | | 8% |
| | Central | | 15% |
| (B) | Credit for Age of Risk: | | 10.00% |
| | Risk must be constructed within the last five years. | | |
| (C) | Credit for Automatic Sprinkler System: | | 8.00% |
| | Tested annually & Certificate of Testing provide every renewal. | | |
| (D) | Credit for Fire Extinguisher: | | 2.00% |
| (E) | Credit for Loss Experience: | | 5.00% |
| | No non-weather related losses within the last three years. | | |
| (F) | Credit for Noncombustible Roof: | | 2.00% |
| | Metal roofs only. | | |
| (G) | Credit for Senior Citizens Discount: | | 5.00% |
| | Oldest Named insured must be 60 years or more. | | |

Total of above state credits **CANNOT exceed 20%.**

2. Mandatory Credit

(A) Credit for Hail Resistant Roofs

- (1) Must be allowed on existing business which qualifies. Colonial Lloyds will follow the State Guidelines. Please see the Personal Lines Manual for more information.
- (2) Must be accompanied by the HO-145 or TDP-022 Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail.

3. Preferred Discount: 25%

- (A) Coverage A limits of \$100,000 and above;
- (B) Protection Class 1-6;
- (C) Dwelling age 25 years old or less; (Discount decreases 5% per year when age of dwelling is 26-30 years);
- (D) Roof 12 years old or less;
- (E) Dead bolt locks and fire extinguisher required.

Credits

Properties located in the following areas must have prior approval from Managing Underwriter before **BINDING COVERAGE**:

ZIP CODE	CITY	PORTIONS
77034	Houston	All
77058	Houston	All
77059	Houston	All
77062	Houston	All
77075	Houston	All
77089	Houston	All
77502	Pasadena	All
77503	Pasadena	All
77504	Pasadena	All
77505	Pasadena	All
77506	Pasadena	All
77507	Pasadena	All
77520	Baytown	Harris County Only
77521	Baytown	South I-10 inside Harris County
77536	Deer Park	All
77546	Friendswood	Harris County Only
77571	La Porte	West of Highway 146
77586	El Lago	West of Highway 146
77587	South Houston	All
77598	Webster	All