



# Underwriting Program Guide



SECURITY  
MUTUAL  
INSURANCE  
COMPANY

*Established 1887*



SECURITY  
COOPERATIVE  
INSURANCE  
COMPANY

*Established 1910*

## Binding Authority

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# PROHIBITED CLASSES - Standard

## BUILDING AND CONTENTS

Aircraft hangers	*Laundromats (unattended)
All property under foreclosure proceedings	Leather tanneries
All risks declined, cancelled or non-renewed by another carrier without prior approval	Lumber Yards
All risks subject to wave wash exposure	Manufacturing risks
All risks within one mile of a tidal coastline	Marinas
Amusement centers	Mobile Manufactured Homes located on Long Island
*Asbestos –any structure with siding containing asbestos	*Pool rooms, billiard parlors
Auction houses	Racetracks and riding stables
Auto repair and auto body shops (LRO is available)	Resort properties including hotels, boarding houses, and bungalow colonies
*Barns with hay storage	Riding academies
Boat houses (commercial)	*Rooming or boarding houses
Bowling alleys	*Sales stables and barns
*Builder’s Risk to be sold upon completion	Sawmills
Canneries	Schools and colleges
Chemical works	*Shopping centers (unless fire resistive or sprinklered masonry and protected) *
*Commercial Laundries (unless modern masonry and protected)	Skating rinks
*Convenience stores with gas pumps	Slaughterhouses
Country clubs (frame, unprotected)	*Student housing
Dance halls or discos	*Swimming pools on rented premises
Dry cleaners – with cleaning operations on premises only	Theaters (unless fire resistive)
Fairground buildings (frame)	Tire retreading and recapping
Feed mills	Trailers/mobile homes: more than 12 years old, rented to others, or seasonal.
Foundries	Upholstery shops
Geodesic Dome Homes	*Vacant buildings
Grocery and supermarkets (over \$500,000 in receipts)	Warehouses – without prior approval
Hotels with franchise and/or restaurant	Watercrafts in salt water, Long Island Sound or coastal waters
Hunting and fishing camps open to public	Welding operations
Junk shops or yards	Wastepaper and rag risks
	Woodworking risks of all kinds except as part of an Artisan Contractor

\* Refer to **Custom Programs** for availability

## CONTENTS ONLY

Army and navy goods	Millinery stock
Antique stock	Pawnbrokers
Auction stock	Supermarket and grocery stock
Furniture in hotels and boarding houses	Wholesale drugs
Furriers	

**Any risk exposed to a prohibited class risk by 100 feet or less is also prohibited.**

NOTE: The above list includes commonly prohibited classes. The Company reserves the right to decline other classes of risks. Prior approval will be granted in some instances on risks appearing on the prohibited list providing the risk is exceptional in its class and is approved by the company after inspection.

# PROHIBITED CLASSES - Custom

## BUILDING AND CONTENTS

Aircraft hangers  
All property under foreclosure proceedings  
All risks declined, cancelled or non-renewed by another carrier without prior approval  
All risks subject to wave wash exposure  
All risks within one mile of a tidal coastline  
Amusement centers  
Auction houses  
Auto repair and auto body shops (no liability- LRO is available)  
Boat houses (commercial)  
Bowling Alleys  
Canneries  
Chemical works  
Country clubs (frame, unprotected)  
Dance halls or discos  
Dry cleaners – with cleaning operations on premises only  
Fairground buildings (frame)  
Farm buildings, contents and produce  
Feed mills  
Foundries  
Geodesic Dome Homes  
Hotels with franchise and/or restaurant  
Hunting and fishing camps open to public

Junk shops or yards  
Leather tanneries  
Lumber yards  
Manufacturing risks  
Marinas  
Mobile Manufactured Homes located on Long Island  
Racetracks and riding stables  
Resort properties including hotels, and bungalow colonies  
Riding academies  
Sales stables and barns  
Sawmills  
Schools and colleges  
Shopping centers (unless fire resistive or sprinklered masonry and protected)  
Skating rinks  
Slaughterhouses  
Super Markets > 5,000 sq. ft and or > \$500,000 in receipts  
Theaters (unless fire resistive)  
Tire retreading and recapping  
Warehouses – without prior approval  
Welding operations  
Wastepaper and rag risks

### Contents Only

Army and Navy Goods  
Auction Stock  
Furniture in Hotels and Boarding houses

Furriers  
Millinery Stock  
Pawn Shops  
Wholesale drugs

**Any risk exposed to a prohibited class risk by 100 feet or less is also prohibited.**

NOTE: The above list includes commonly prohibited classes. The Company reserves the right to decline other classes of risks. Prior approval will be granted in some instances on risks appearing on the prohibited list providing the risk is exceptional in its class and is approved by the company after inspection.

## General Information - All lines of business

**No binders (either written or oral) can be issued to cover a prohibited class or to cover a permitted class for an amount in excess of the line limit schedule or to otherwise bind coverage not permitted by the underwriting guidelines herein.** In all cases, the Company is to be notified immediately of the issuance of any type of binder.

**All applications** for insurance **must be signed by the insured.** Agents cannot sign the application for an insured without a properly executed Power of Attorney authorizing same. All underwriting information requests on applications and any additional requests need a response. If there is a **dog, solid fuel stove, trampoline, or outdoor wood boiler** on the premises, kindly submit a supplemental questionnaire. The insured is attesting that the information on the application is a truthful disclosure when they sign the application. Incorrect or lack of underwriting information will result in refusal of coverage or coverage termination. In the event an application is submitted electronically, the agency needs to either retain a copy of the insured signed application in their agency records (scanned format is acceptable) or send the insured signed copy to the Company in a timely manner.

Any person, who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material hereto commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation. THE INFORMATION REQUESTED ON THE APPLICATION IS MATERIAL TO SECURITY MUTUAL INSURANCE COMPANY IN ITS DECISION WHETHER TO ISSUE A POLICY OF INSURANCE.

**Agent of record / Broker of record changes AOR/BOR:** A signed broker of record change form must be received no later than the renewal date. A signed Lost Policy Release (LPR) must accompany the AOR/BOR if the renewal policy has been issued. A complete application must accompany the AOR/BOR. The current agent will have five business days to provide a rescinding letter to the underwriter. If the AOR/BOR is not rescinded and we receive a new application, the policy will be renewed in the new agency's name and agency code with a new policy number. If an insured wants to change agents mid-term, a new application and an LPR are required. LPRs or AOR/BOR Change Forms must be signed by the named insured.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Building codes:** Insured properties must be in compliance with local or state **building codes.** The binding of risks with known **building code** violations is not permitted. Discovery of properties in violation of local or state **building codes** will be grounds for cancellation and or nonrenewal.

**Cancellations:** chronic nonpayment policyholders (defined as 3 or more per year for standard 6 or more per year for **Custom**) will not be reinstated and will be nonrenewed. Insured's must sign the **Lost Policy Release** (when used) and the LPR must reflect the desired cancellation effective date. If the effective date of cancellation is more than 90 days prior to our receipt of the LPR, we need the supporting evidence: proof of sale (if house sold) or copy of the replacement policy declaration page.

**Deductible:** Unless otherwise published in this manual, our minimum deductible is \$250.

**Down Payment** The appropriate down payment based on total annual premium is required to bind coverage for all new business applications unless the account is going to be mortgagee-billed.

**Downstate Business (five boroughs of New York City and Long Island):** business should be written by agents located downstate. For Upstate agents who have an insured with another location downstate, the insured must have Upstate business already written by Security Mutual and prior underwriting approval is required.

**Dry Hydrants:** are not considered to be an approved fire hydrant.

#### **E-bikes**

**Class 1 or Type 1:** Eligible for contents and liability coverage and are not considered "motor vehicles." Can be scheduled for special form coverage with a lower deductible. These are bicycles with electric assistance only when the person operating the bicycle is pedaling, and ceases to provide assistance when the bicycle reaches a speed of 20 mph.

**Class or Type 2 and 3:** Eligible for on-premises liability coverage only. For personal property and off-premises liability, agents need to recommend an e-bike or motorized vehicle policy.

#### **Exposures not eligible for standard coverage, no binding authority:**

- Water damage claims (of any kind) within the past 3 years
- Trampoline (may be eligible with approved questionnaire)
- Dogs with vicious propensities, aggressive behavior, or bite history
- In ground pools without proper fencing and locking gate
- Above ground pools without a locking ladder or locking gate to pool deck
- Underground fuel storage tanks (exception: propane tanks are acceptable)
- Garage with combustibles heated with solid fuel
- Knob and tube wiring, Aluminum Wiring, **less than 100 amp. service**
- Federal Pacific Electric (FPE) circuit breaker panels with Stab-Lok circuit breakers
- Siding that contains asbestos

In addition, there is no authority to bind, without **prior underwriting approval**, in the following circumstances:

- Risks with any prior fire losses
- Risks with two or more losses within the prior five years
- As identified elsewhere in this Underwriting Program Guide

**Exposures not eligible for Custom coverage, no binding authority:**

- No coverage is available for any product located in the 5 boroughs of New York City. (exception: Landlord Package written in the Custom Security Mutual Program)
- Dogs with vicious propensities, aggressive behavior, or bite history.
- Above ground pool without locking ladder or locking gate to pool deck
- In ground pools without proper fencing and locking gate
- Garage with combustibles heated with solid fuel
- Federal Pacific Electric (FPE) circuit breaker panels with Stab-Lok circuit breakers, less than 100 amp. service
- Risks with any prior fire losses or properties with unrepaired fire or water damage.
- Risks with two or more losses within the prior five years
- As identified elsewhere in this Underwriting Program Guide

**Farm Barns without hay storage:** not eligible for Special Form Coverage or replacement cost valuation.

**Farm Barns with hay storage:** refer to Custom program.

**Farms Barns with business property:** review with commercial lines underwriter

Insureds or additional insureds who have been **convicted of fraud** are not permitted. Company discovery of **fraud convictions** will be grounds for cancellation or nonrenewal.

**Inflation guard forms:** These forms will be added to all new business and renewal business unless a dwelling is vacant or unoccupied or dwelling is a manufactured mobile home.

**Insurance-To-Value (ITV):** Although the best estimate of replacement cost comes from a local contractor, kindly provide an industry replacement cost estimator if replacement cost coverage on the building is desired. An over-insurance letter can be provided if over-insurance is required by the mortgagee.

Failure to comply with hazard reducing **loss control recommendations** will be grounds for a reduction in coverage or coverage termination.

**Liability Coverage:** is required on all Personal Lines standard policies. Policies without liability should be written in our Custom programs unless the liability is extended from another Security Mutual Policy. Exceptions require underwriting approval.

**Misrepresentation:** We will not insure risks for which an insured has misrepresented or provided incomplete policy application or anti-arson application information, or misrepresented claim information. Misrepresentation will be grounds for considering all coverage null and void.

**Named insured overseas residences and policyholder mailing addresses** are unacceptable. They impair the Company's ability to ensure statutorily timely delivery of required mailings. Such insureds also present the potential for exorbitant travel expenses, under certain policy terms, which established rates do not contemplate. Resolution: overseas

named insureds need to establish a Power of Attorney for matters insurance related, granting authority to a local individual with a local mailing address. The policy would then be issued with the Named Insured c/o the individual with the Power of Attorney and their mailing address. A copy of the Power of Attorney authorization is needed for our files.

**Named Insured Changes:** Security Mutual does not accept endorsement requests for changes to named insureds. Rather, we require that a new application be completed for a new insurance policy with the new named insured. New business underwriting guidelines will apply. There is an exception for a surviving spouse and family members who, based on the definition of the named insured in the policy, could be a named insured in the contract. However, we counsel all agents to verify that the surviving family member is, in fact, a deed owner so as to ensure proper establishment of insurable interest and to mitigate the agency's errors and omissions exposure. A new application may be necessary if there is a change of occupancy.

**Policy change requests need to be signed by the named insured** in the following case: Removal of a name (request needs to be signed by the person being removed). If you are reducing coverage, increasing the deductible, or taking any coverage away, for your errors and omissions protection, we highly recommend that you retain a document, signed by the named insured, of the requested policy changes.

**Prior carrier** information must be provided. Please do not use "None" or "N/A" when posting prior carrier information. Rather, be more specific by indicating: "new purchase," "first time buyer" or "insured has gone without coverage for a period of time." There is no authority to bind any business where the "insured has gone without coverage for a period of time." Please call our underwriting department for **prior approval**. Coverage expiring with, the **FAIR Plan or some other substandard market** is unacceptable unless conditions which prompted placement in those facilities have been completely removed or rectified. **Prior underwriting approval** is required if the agency feels this is the case.

**Prior losses:** all of our applications request prior loss experience of the named insured. Please provide information on any and all losses for the named insured, regardless of the location or the carrier, as this is part of our underwriting acceptance consideration.

**Prior underwriting approval:** Submit inquiries to the underwriting for permission to bind a permitted class for **limits higher than the underwriting authority** shown herein, giving complete information on risk including total amount of insurance subject to one loss. Applications submitted with prior underwriting approval need to identify the underwriter providing the approval, provide an explanation of what was specifically discussed and approved and the date of approval. Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**. Risks nonrenewed by Security Mutual due to agency suspension are also not acceptable without **prior underwriting approval**.

**Property outside of agent's territory:** these risks are generally unacceptable. Call underwriting for exceptions or accommodations. **If you cannot physically inspect the risk, then this would be out of your territory.**



**Replacement cost eligibility:** When the market value of certain risks is so much lower than the replacement cost, we may not want to insure to replacement cost and thus create a moral hazard. If the market value or purchase price is less than 33% of the estimated replacement cost, contact the underwriting department to discuss replacement cost eligibility.

**Shared driveways, shared liability:** we would prefer to insure all premises rather than split the liability exposure with a different carrier. If not possible, find out who is responsible for maintaining the shared driveway and ask if the other party has insurance.

**Solar panels mounted on roof:** solar panels need to be professionally installed, life expectancy of the roof needs to be equal to or greater than the life expectancy of the solar panels, requires installation of external shut-off to reduce the risk of electrocution of emergency personnel. Tell us if the solar panels are owned or rented.

**Broad or Special form coverage on secondary, seasonal, or short-term rental exposures require the following:**

1. The home is accessible year round
2. The roof is 25 years old or newer
3. There is central heat
4. The home is not built on piers
5. They winterize the home by draining the pipes or,
6. They maintain heat with a low temperature alarm and,
7. They have a water shut-off device

**Weather:** In the event of public reports of an impending or actual blizzard, hurricane, tornado, windstorm or other natural disaster, no additional coverage may be bound or added to any policy. Underwriting approval will be required for policy change requests received within 30 days following a storm that resulted in a binding moratorium.

# ARTISAN PAK – PROGRAM GUIDE FOR ARTISAN CONTRACTORS

**This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.**

## **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department.**

## **MAXIMUM LIMITS**

COVERAGE A (Building)	\$300,000*
COVERAGE B (Business Personal Property)	\$25,000*
Total Combined Coverage A and Coverage B	\$325,000*
COVERAGE L (Occurrence)	\$1,000,000
(Aggregate)	Three times the Occurrence Limit
INLAND MARINE	\$25,000*

**\*Higher Limits are available with prior underwriting approval.**

## **MINIMUM LIMITS**

PROPERTY	None
LIABILITY	\$300,000
MEDICAL PAYMENTS	\$1,000/\$25,000

## **BASIC POLICY FORMS**

Coverage is written as a package policy. The main coverage form applying is the Crafts/12 Agreement (SF-511). Coverage in the SF-511 includes:

<b><u>Coverage</u></b>	<b><u>Limit*</u></b>
Accounts Receivable	\$1,000
Business Credit Card, Forgery and Counterfeit Money	\$1,000
Business Property	\$1,000
Debris Removal	\$1,000
Employee Dishonesty	\$1,000
Money and Securities	\$1,000
Property of Others in your Care, Custody and Control	\$1,000
Tools and Equipment off Premises	\$1,000
Valuable Papers and Records	\$1,000
While Away from the Insured Premises	\$1,000
Medical Payments	\$1,000/25,000
M and C Liability	\$25,000 CSL

**\*Higher limits are available**

Building coverage is provided using Forms SF-2 or SF-3. Business Property in excess of the \$1,000 provided in the SF-511 is provided using Forms SF-4 or SF-4A.

Form SF-4 is available for a contractor operating an office out of their home, with a stand-alone office or shop or storage location. Form SF-4A is also available but does not include Theft coverage. Both Building and Business Property coverage forms can be written on either a Replacement Cost or Actual Cash Value basis.

## **MANDATORY FORMS**

SF-20	Agreement
SF-511	Crafts/12 Agreement
SF-512	Supplemental Declarations
SMIC-SF-525	Tools and Equipment Coverage
LS-5	Business General Liability Coverage (Coverage can be changed to an LS-6. A rate modifier will apply.)
LS-10	Amended Limits of Liability
NY STAT-1	NY Statutory Endorsement
LS-187	Asbestos Exclusion
LS-118	Silica Exclusion
LS-120	Exterior Insulation Exclusion
LS-79A	Exclusion of Snow/Ice Control Operations (May be removed with Underwriting Approval but only for Residential snow removal)
LS-139-A	Communicable Disease Exclusion Clarification
LS-98	Exclusion of Hot Application Roofing Operations
SF-18	Intentional Acts Exclusion
LS-141A	Employer's Liability Exclusion (May be removed with Underwriting Approval on eligible accounts.)
LS-141A DISC	Policy holder Disclosure Notice
LS-84	New York Amendatory Endorsement
LS-88	Discrimination Clarification
LS-93	Employment Practices
LS-85	Known Loss or Damage
LS-57	Lead Exclusion – This will be included on all new business policies with the following classifications – Air Conditioning & Heating, Carpenter NOC, Contractor NOC, Handyman, Painting and Plumbing

## **OPTIONAL FORMS AVAILABLE**

Additional Insured Forms LS-19, LS-22A, LS-24A, SMIC-LS-24A, SMIC-LS-22, SMIC-LS-23, SMIC-LS-24B, SMIC-LS-24C  
Builders Risk (SF-21)  
Computer Coverage (MR-61A)  
Contractors Equipment (MR-71 or MR-72)  
Contractors Extender Endorsement – Basic (SMIC-SF-530)  
Contractors Extender Endorsement – Broad (SMIC-SF-531)  
Contractors Extender Endorsement – Deluxe (SMIC-SF-532)  
Customers Goods (SF-132 or SF-132A)

Equipment Rental Reimbursement (MR-74)  
Installation Floater (MR-75 or MR-76)  
Loss of Earnings (SF-43)  
Miscellaneous Property Floater (MR-52, MR-54)  
Primary Non-Contributory (LS-39)  
Tools and Equipment Floater (MR-80, MR-78 or SMIC-MR-79)  
Waiver of Subrogation (LS-12)

## **DEDUCTIBLE**

A minimum deductible of \$250 will be applied to each adjusted property loss including Inland Marine Forms. Higher deductibles are available.

## **AVAILABLE CLASSES**

Air Conditioning/Heating  
Appliance Installation, Service, Repair  
Cabinet Maker  
Carpenter NOC  
Carpet Installer  
Chimney Cleaner  
Contractor NOC – This is for Artisan Contractors not fitting any of the listed classes. Accounts for this class [performing other than kitchen or bath remodeling](#) must be submitted to Security Mutual for underwriting review and pricing.  
Dry Wall  
Electrician  
Fence Erection (Residential only)  
Floor Sanding  
Glazier  
Handyman (An Artisan active in any 3 of the classes listed except Plumbing)  
Interior Decorator  
Janitor/Cleaning Service  
Landscapers (No insecticides or tree trimming)  
Mason  
Painting/Decorating/Paper  
Paving/Blacktopping (No street or road work)  
Plastering  
Plumbing  
[Roofing – Please note additional Eligibility requirements](#)  
Siding  
Tile and Stone

## ELIGIBILITY

- Five (5) employees or less – Including the owner (**Submit to Underwriting if more than 5 employees including the owner**)
- Primarily Residential work – **Refer Commercial work to Underwriting**
- Any Commercial work accounting for more than 10% of the insured's total business must be referred to Underwriting for binding approval. **Note that we are especially concerned about any commercial work above two stories.**
- Minimum three (3) years or more experience in the class
- Firms with Gross Receipts less than \$1,500,000
- Less than 35% of work subcontracted to others
- Year-round operations are preferred – Refer **Operations that are not year-round to Underwriting**
- General Contractors, **Property Managers**, Home Builders or Flippers are not eligible
- **Roofing Work Eligibility**
  - Work only with asphalt shingles or metal roofing materials
  - Have no more than four total employees including the business owner
  - Performing Residential roofing only – no Commercial roofing
  - Perform no roofing over 2 stories
  - Be able to provide documentation that safety harnesses are required for all roofing employees

## ZONES

- **Remainder of State** – All of state except Putnam, Rockland, Suffolk, Nassau, Richmond, Queens, New York, Bronx and Kings
- **Suburban Zone 1 - Nassau, Suffolk and Westchester**
  - **Must charge for a minimum of two full-time employees – Coverage for any work done in Bronx, Queens, Kings, Richmond and New York will not be provided**
- **Suburban Zone 2 – Putnam and Rockland**
- **New York City** – Bronx, Queens, Kings, Richmond, New York - **Artisan Program not available at this time**

## UNDERWRITING GUIDELINES and INFORMATION

- Policyholders are expected to comply with hazard reducing loss control recommendations.
- If the business is operated from the insured's home, and customers will come to the home, we will require proof of Homeowners insurance with liability limits equal to the Artisan Program limits of liability. We prefer, but will not require, that the Homeowners be insured with Security Mutual.

- Additional Insured requests must be sent to Security Mutual for approval before issuing a Certificate of Insurance. With our emphasis on insuring contractors doing residential work, we would not expect a high volume of Additional Insured requests from any one insured. Copies of Certificates of Insurance issued by an agent must be sent to Security Mutual. Certificates of Insurance must include a note regarding the type of work being done by the insured.
- Any individual tool or item of contractor's equipment valued at over \$5,000 must be scheduled.
- We will accept another carrier's Artisan specific application for quoting purposes but prefer the Security Mutual Artisans Application. We will require the SMIC Artisans Application to bind coverage.
- We prefer to have currently valued hard copy loss runs for the expiring year and 3 prior years. If not available for quoting, they will be required to bind coverage. Insured's operating without insurance must provide a signed statement of no known loss for the period they have operated without insurance.

### **LIABILITY PREMIUM BASIS**

Premium is determined based on the number of full-time or part-time employees.

- A full-time employee is an employee working more than 20 hours per week
- A part-time employee is an employee working 20 hours or less per week

Owners are to be included in the number of employees. An employee includes anyone paid either a salary or via a 1099 form. The minimum annual premium is the premium for one full-time employee in the applicable eligible class. Individuals engaged strictly in clerical operations, other than owners, and inactive corporate officers will not be included as employees. An inactive corporate officer is one who is not involved in the day-to-day operations of the business.

If casual labor is hired for more than 20 hours per week, a full-time employee should be added.

If casual labor is hired for less than 20 hours per week, a part-time employee should be added.

### **RENEWAL UPDATES**

A letter and Renewal Questionnaire will be sent to the insured with each renewal policy. The Renewal Questionnaire will include space to update the number of employees, information about operations and sub-contractors and tools and equipment. If the Renewal Questionnaire is not returned to Security Mutual, the next renewal will be updated to reflect an additional full-time employee for the Suburban Zone and an additional part-time employee for the Remainder of State Zone.

## **BILLING**

Billing will be on a Direct Bill basis. Premiums can be paid in full or on an installment basis. Payments may be made by check, money order, credit card or ACH. [Multiple payment plans are available based on the minimum policy premium:](#)

<b>Full Pay</b> 100% Down	<b>Biannual</b> 30% Down, \$200 minimum Minimum	<b>Quarterly</b> 40% Down, \$200
<b>3 Pay</b> 40% Down, \$100 minimum	<b>6 Pay</b> 25% Down, \$200 minimum	<b>9 Pay</b> 25% Down, \$400 minimum

A \$6.00 service fee is charged on each billed installment excluding the down payment. Premium can also be paid via Electronic Fund Transfer (EFT). No service fees are charged when EFT is utilized. EFT is encouraged for newly written Artisan accounts, where there is no prior insurance.

We will offer reinstatements in the event of non-pay cancellations, but in no case after 3 non-pay cancellations in the same policy period will we reinstate without full payment of the remaining balance. Full payment would be required in the case of any renewals for the account.

Non-payment can be a problem with this class of business. Collecting larger down payments or encouraging payment in full can help with retaining business.

# BUSINESSOWNERS

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

## BINDING AUTHORITY

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**. **Risks with prior losses require underwriting approval.**

## MAXIMUM LIMITS

COVERAGE A (Building)	\$750,000*
COVERAGE B (Business Personal Property)	\$250,000*
Total Combined Coverage A and Coverage B	\$750,000*
COVERAGE L (Occurrence)	\$1,000,000
(Aggregate)	Three times the Occurrence Limit
COVERAGE N (Occurrence)	\$1,000,000

\* **Higher Limits are available** with prior underwriting approval.

<u>MINIMUM LIMITS</u>	<u>STANDARD</u>	<u>DELUXE</u>	<u>ULTRA</u>
PROPERTY	None	None	None
LIABILITY	100,000 OLT	300,000	500,000
MEDICAL PAYMENTS	500/10,000	1,000/25,000	5,000/25,000

LS-5 available

LS-6 available

Binding authority is also **subject to the Underwriting Guidelines** below.

## UNDERWRITING GUIDELINES and INFORMATION

Risks must be in **average to above average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

## BASIC POLICY FORMS

Three basic policy forms are offered: the Standard Policy (LS-1 Form), the Deluxe Policy (LS-5 Form) and the **Ultra** Policy (LS-6). The LS-5 form and LS-6 form can be written on Standard, Deluxe and **Ultra** BOP's. The LS-6 form is available on a Deluxe BOP. Both Building and Business Property can be written on either a Replacement Cost or Actual Cash Value basis on either policy form. However, please note the following distinction between these two policy forms.

Standard Policy: Property coverage is provided on a specified cause of loss basis



Deluxe and Ultra Policy: Property coverage is provided on a covered cause of loss not excluded basis. In addition, the three BOP policy forms are distinguished as follows:

<u>Coverage</u>	<u>Standard Policy</u>	<u>Deluxe Policy</u>	<u>Ultra Policy</u>
Accounts Receivable	Optional	\$1,000 Included	\$10,000 Included
Additional Expense	\$1,000 Included	\$1,000 Included	\$10,000 Included
Building Inflation Protection	Optional	1% per quarter	1% per quarter
Employee Dishonesty	Optional	\$1,000 Included	\$10,000 Included
Exterior Signs	Optional	\$1,000 Included	\$2,500 Included
Fire Legal Liability	\$50,000 Included	\$50,000 Included	\$100,000 Included
Loss of Income	3 months Included	6 months Included	12 months Included
Money and Securities	Optional	\$1,000 Included	\$10,000 Included
Valuable Papers/Records	Optional	\$1,000 Included	\$10,000 Included
Prop away from premises	Optional	15% Coverage B limit Incl.	15% Coverage B limit Incl.
Sprinkler Leakage	Optional	50% Coverage B limit Incl.	50% Coverage B limit Incl.

**Minimum Premium Based on Occupancy**

<b>Apartment</b>	<b>\$350</b>
<b>Mercantile – Food &amp; Dining</b>	<b>\$500</b>
<b>Mercantile – All other</b>	<b>\$350</b>
<b>Office</b>	<b>\$350</b>
<b>Service</b>	<b>\$350</b>
<b>House of Worship</b>	<b>\$350</b>
<b>Hotel/Motel</b>	<b>\$350</b>

**ELIGIBILITY:**

**OWNERS** - Building(s) and Business Property.

**APARTMENT** - Building(s) -

- 1) Containing 5 to 60 units.
- 2) Does not have mercantile occupancy.

**HOUSES OF WORSHIP** - Building(s) -

- 1) Principal occupancy is for religious purposes.
- 2) Does not exceed 15,000 sq. ft. per floor.

**HOTEL / MOTEL** - Building(s) -

- 1) Containing 5 to 60 units.
- 2) Mercantile occupancy not to exceed 250 square feet.  
For pool liability, See Optional Liability Section for additional charge.

**MERCANTILE** - Building(s) -

- 1) Principal occupancy is buying and selling of merchandise.
- 2) Does not exceed 15,000 sq. ft. per floor.

**OFFICE** - Building(s) -

- 1) Primarily used for office purposes.
- 2) Does not exceed 15,000 sq. ft. per floor.
- 3) Does not have mercantile occupancy.

**SERVICE** - Building(s) -

- 1) Primarily used for service businesses shown in the classification list
- 2) Does not exceed 15,000 sq. ft. per floor.

**TENANTS** – Business Property only

**OFFICES** - Does not occupy more than 15,000 sq. ft. in any one building.

**SERVICE** - Does not occupy more than 15,000 sq. ft. in any one building.

**MERCANTILE** -

- 1) Principal business is buying and selling of merchandise.
- 2) Does not exceed 15,000 sq. ft. in any one building.

\* NOTE: When occupancy contains more than one classification, regardless of what percentage of total occupancy each classification represents, use the highest rated classification.

In cases where risk is not eligible for the BOP program it may be eligible on the SMP program.

**BUSINESS CLASSES AND CLASSIFICATIONS**

The following terms are defined as used in the Classification Section:

**Baking** - includes operations with any of the following: Bagel ovens, pizza ovens (no grill or deep fat fryers).

**Commercial Kitchen** - operations with a kitchen that contains commercial type ovens, stoves or deep fat fryers.

**Cooking** - operations with grills or deep fat fryers.

**Cooking with household appliances** - means operations with a kitchen that contains household type stove, toaster oven, hot plate or coffee maker.

**No Cooking** - operations without ovens, grills or deep fat fryers.

**BUSINESS PROPERTY CLASSIFICATIONS**

Appliance Store, Household Kitchen Appliances less than 25% of total receipts from off-premise repair or service operations

Appliance Store, Other Household Appliances (sewing machines, vacuums, etc.)

Automobile Accessory Store, No automobile repair work, tire recapping or vulcanizing performed

Bagel Shop with baking

Bagel Shop with cooking

Bakeries, selling only (no baking) on premises

Bakeries with baking on premise

Bakeries with cooking and selling on premise

Barber and Beauty Supplies

Barber Shop

Beauty Shop

Beverage Store, selling beer and wine

Beverage Store, selling no alcoholic beverages

Book and Magazine Store

## **BUSINESS PROPERTY CLASSIFICATIONS (Continued)**

Camera and Photographic Supply Store  
Candy, Nut and Confectionary Store no cooking  
Candy, Nut and Confectionary Store with cooking  
Card and Stationery Store  
Cheese Store  
Christmas Store (non-seasonal)  
Clothing or Wearing Apparel  
Coffee Shop, including an Internet cafe  
Convenience Store – No gas  
Craft Store and Artist Supply Store  
Curtain and Drapery Store, with less than 25% of the total receipts derived from installation charges  
Delicatessen no cooking  
Delicatessen cooking with Household Appliances, no kitchen  
Delicatessen with cooking  
Department Store with more than \$500,000 annual sales  
Department Store with less than \$500,000 annual sales  
Drug Store  
Fabric Store  
Floor Covering Store incl. carpet with less than 25% of the total receipts derived from installation charges  
Florist  
Furniture Store  
General Store  
Gift, Novelty and Souvenir Store  
Glass Store  
Hardware Store  
Health Food Store  
Ice Cream Store, no cooking on premises  
Ice Cream Store, cooking with household appliances  
Ice Cream Store, with cooking  
Kitchen Accessories Store  
Lawn and Garden Supply Store  
Leather Goods Store  
Liquor Store  
Monument, Tombstone & Statuary Store  
Motels – not franchised – Program available  
Musical Instrument Store  
Music, Tape and Record Store  
Newsstand  
Office Machine Store  
Office Supply Store  
Optical Goods  
Paint, Glass and Wallpaper Store  
Painting, Picture, Poster or Frame Store

Party Supply Store  
Pet Store  
Pizza Shop with baking  
Pizza shop with cooking  
Plumbing Supply & Fixture Store  
Pool Supply Store  
Recording Studio  
Restaurants  
Restaurant Equipment  
Retail, NOC  
Self-Storage Facilities – Program available  
Shoe Repair Store  
Shoe Store  
Sporting Goods Store, no Firearms or Ammunition  
Stationery and Card Store  
Toy, Hobby and Game Store  
Video Store  
Wholesale, NOC

**OCCUPANCY CLASSIFICATION LIST**  
**SERVICE DESCRIPTION**

Appliance repair  
Automatic Car Wash  
Clothing alteration, pressing and repair  
Clothing rental  
Clubs  
Computer Repair  
Dental Labs  
Electrotyping  
Engraving  
Event Coordinator  
Funeral Directors  
Laundry and Dry Cleaning pick up stations (no cleaning on premises)  
Laundries and dry cleaners (self-service - attended)  
Letter Service (mailing or addressing)  
Linen Supply  
Lithographing  
Media Duplication  
Office Machine Repair  
Photocopying and Blueprinting  
Photofinishing Laboratories  
Photographer  
Photographic Studios  
Printing - Commercial and Related Services  
Service, NOC  
Shoe Repair  
Storage Buildings

Tailors  
Taxidermist Services  
Tuxedo Rental  
Valet Service  
Videographer  
Watch, Clock and Jewelry Repair

**Additional Expense:** Deductible does not apply to this coverage.

**Additional Insureds:** Name, address and insurable interest are required. Mortgagees are not eligible to be added as an Additional insured, as their interest is covered by the Mortgagee agreement.

**Aggregate Limits** must be applied to all policies under Coverage L.

**A signed and completed anti - arson application** must accompany the application where required by statute (Regulation 96).

**Broad Form Perils (SF-2)** may be added on the Standard Program.

**Special Form Perils (SF-3)** may be added on the Standard Program.

**Earthquake** coverage is not available.

**Employee Dishonesty:** Maximum limit available is \$25,000 per employee. Higher limits are available with prior underwriting approval.

**Fire Legal Liability** applies to tenants of buildings, not the owner. \$50,000 is included in the Standard and Deluxe policy form. \$100,000 is included in the Premier policy form. A maximum of \$500,000 coverage may be purchased

**Loss of Income:** Deductible does not apply to this coverage. Limit = Business Personal Property Limit. Coverage may be obtained for up to a 12-month period, not limited by the policy period. **SF-312 Loss of Income Limitation** - Coverage written on contents of small offices, mercantile or service occupancies or risks not meeting minimum premium requirements must attach SF-312 which limits loss of income coverage. Form must also be applied when the amount of actual income information is not available.

**Money and Securities:** Maximum limit available is \$25,000. Higher limits are available with prior underwriting approval.

**Multiple Occupancies** are rated on the basis of the most hazardous or highest rated class.

**Professional Liability:** Clergy Professional Liability, Beauty Shop Professional Liability and Morticians or Cemetery Coverage are the only coverages available. Occurrence and Aggregate limits must not exceed Coverage L limits.

**Chinese Restaurant or tavern exposures:** not acceptable – Refer to **Custom Program**. Also not acceptable as an adjacent exposure to an unacceptable operation, unless separated by approved fire walls or more than 100 feet from unacceptable building/operation.

**Rooming or Boarding Houses** are not eligible for coverage – Refer to **Custom Program**.

**Vacant and or unoccupied** buildings are not allowed unless there is a known occupancy within 45 days. Refer to **Custom Program**.

**Valuable Papers and Records:** Maximum Limit available is \$25,000. Higher limits are available with prior underwriting approval.

**LS-6 Business General Liability Extra Coverage** is available.

**LS-70 Business Premises Exclusion Other Than Designated Premises** is attached to designated policies including the LS-5 or LS-6 Liability form.

**LS-50 Employee Non-Owned Auto & LS-50A Hired and Non-owned Auto** available with prior underwriting approval

**SF-4A Contents Special Form** may be used on a Standard BOP.

**SF-28 and SF-28A Businessowners Agreed Amount** coverage is not available.

**SF-55 Businessowners Burglary and Robbery** is available.

**SF-58 Storekeepers Burglary and Robbery** is available.

**SF-324 Refrigerated Food Products – Food Spoilage** is available (Premier BOP available via SMIC-SF-10P)

**SF-130 Business Property of Others and Customer Goods** is available.

**SF-330 Personal Injury and Advertising Injury** is available on a Standard BOP.

**LS-34 Liquor Liability** is available on select classes.

**SF-72 Backup, Discharge or Overflow** coverage is available.

**SF-315 Building Ordinance and Law** coverage is available on buildings that have been updated or built since 1975.

## BUSINESSOWNERS - Custom

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### BINDING AUTHORITY

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**. **Risks with prior losses require underwriting approval.**

### MAXIMUM LIMITS

COVERAGE A (Building)	\$200,000*
COVERAGE B (Business Personal Property)	\$200,000*
Total Combined Coverage A and Coverage B	\$450,000*
COVERAGE L (Occurrence)	\$500,000*
(Aggregate)	Twice the Occurrence Limit
COVERAGE N (Occurrence)	\$500,000

\* **Higher Limits are available** with prior underwriting approval.

### MINIMUM LIMITS

### STANDARD

PROPERTY	None
LIABILITY	100,000 OLT
MEDICAL PAYMENTS	500/10,000
LS-5 available	

Binding authority is also **subject to the Underwriting Guidelines** below.

### UNDERWRITING GUIDELINES and INFORMATION

Risks should be in **average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

### BASIC POLICY FORMS

Two basic policy forms are offered: The **Custom** Policy (LS-1 Form). The LS-5 form can be written on a **Custom**. Both Building and Business Property can be written on either a Replacement Cost or Actual Cash Value basis. Property coverage is provided on a specified cause of loss basis

<u>Coverage</u>	<u>Custom Policy</u>
Accounts Receivable	Optional
Additional Expense	\$1,000 Included
Building Inflation Protection	Optional
Employee Dishonesty	Optional
Exterior Signs	Optional
Fire Legal Liability	\$50,000 Included
Loss of Income	3 months Included
Money and Securities	Optional
Valuable Papers/Records	Optional
Prop away from premises	Optional
Sprinkler Leakage	Optional

**Minimum Premium Based on Occupancy**

<b>Apartment</b>	<b>\$350</b>
<b>Mercantile – Food &amp; Dining</b>	<b>\$500</b>
<b>Mercantile – All other</b>	<b>\$350</b>
<b>Office</b>	<b>\$350</b>
<b>Service</b>	<b>\$350</b>
<b>House of Worship</b>	<b>\$350</b>
<b>Hotel/Motel</b>	<b>\$350</b>

**ELIGIBILITY:**

**OWNERS** - Building(s) and Business Property.

**APARTMENT** - Building(s) -

- 1) Containing 5 to 60 units.
- 2) Does not have mercantile occupancy.

**HOUSES OF WORSHIP** - Building(s) -

- 1) Principal occupancy is for religious purposes.
- 2) Does not exceed 15,000 sq. ft. per floor.

**HOTEL / MOTEL** - Building(s) -

- 1) Containing 5 to 60 units.
  - 2) Mercantile occupancy not to exceed 250 square feet.
- For pool liability, See Optional Liability Section for additional charge.

**MERCANTILE** - Building(s) -

- 1) Principal occupancy is buying and selling of merchandise.
- 2) Does not exceed 15,000 sq. ft. per floor.

**OFFICE** - Building(s) -

- 1) Primarily used for office purposes.
- 2) Does not exceed 15,000 sq. ft. per floor.
- 3) Does not have mercantile occupancy.



**SERVICE** - Building(s) -

- 1) Primarily used for service businesses shown in the classification list
- 2) Does not exceed 15,000 sq. ft. per floor.

**TENANTS** – Business Property only

**OFFICES** - Does not occupy more than 15,000 sq. ft. in any one building.

**SERVICE** - Does not occupy more than 15,000 sq. ft. in any one building.

**MERCANTILE** -

- 1) Principal business is buying and selling of merchandise.
- 2) Does not exceed 15,000 sq. ft. in any one building.

\* NOTE: When occupancy contains more than one classification, regardless of what percentage of total occupancy each classification represents, use the highest rated classification.

In cases where risk is not eligible for **Custom** BOP program it may be eligible under the **Custom** SMP or **Custom** Commercial Fire program.

**BUSINESS CLASSES AND CLASSIFICATIONS**

The following terms are defined as used in the Classification Section:

**Baking** - includes operations with any of the following: Bagel ovens, pizza ovens (no grill or deep fat fryers).

**Commercial Kitchen** - operations with a kitchen that contains commercial type ovens, stoves or deep fat fryers.

**Cooking** - operations with grills or deep fat fryers.

**Cooking with household appliances** - means operations with a kitchen that contains household type stove, toaster oven, hot plate or coffee maker.

**No Cooking** - operations without ovens, grills or deep fat fryers.

**BUSINESS PROPERTY CLASSIFICATIONS**

Appliance Store, Household Kitchen Appliances less than 25% of total receipts from off-premise repair or service operations

Appliance Store, Other Household Appliances (sewing machines, vacuums, etc.)

Automobile Accessory Store, No automobile repair work, tire recapping or vulcanizing performed

Bagel Shop with baking

Bagel Shop with cooking

Bakeries, selling only (no baking) on premises

Bakeries with baking on premise

Bakeries with cooking and selling on premise

Barber and Beauty Supplies

Barber Shop

Bars and Taverns

Beauty Shop

## **BUSINESS PROPERTY CLASSIFICATIONS (Continued)**

Beverage Store, selling beer and wine  
Beverage Store, selling no alcoholic beverages  
Book and Magazine Store  
Camera and Photographic Supply Store  
Candy, Nut and Confectionary Store no cooking  
Candy, Nut and Confectionary Store with cooking  
Card and Stationery Store  
Cheese Store  
Chinese Restaurants  
Christmas Store (non-seasonal)  
Clothing or Wearing Apparel  
Coffee Shop, including an Internet cafe  
Convenience Store – No gas  
Craft Store and Artist Supply Store  
Curtain and Drapery Store, with less than 25% of the total receipts derived from installation charges  
Delicatessen no cooking  
Delicatessen cooking with Household Appliances, no kitchen  
Delicatessen with cooking  
Department Store with more than \$500,000 annual sales  
Department Store with less than \$500,000 annual sales  
Drug Store  
Fabric Store  
Floor Covering Store incl. carpet with less than 25% of the total receipts derived from installation charges  
Florist  
Furniture Store  
General Store  
Gift, Novelty and Souvenir Store  
Glass Store  
Hardware Store  
Health Food Store  
Ice Cream Store, no cooking on premises  
Ice Cream Store, cooking with household appliances  
Ice Cream Store, with cooking  
Kitchen Accessories Store  
Lawn and Garden Supply Store  
Leather Goods Store  
Liquor Store  
Meat, Fish and Poultry Store  
Monument, Tombstone & Statuary Store  
Motels – not franchised  
Musical Instrument Store  
Music, Tape and Record Store  
Newsstand

Office Machine Store  
Office Supply Store  
Optical Goods  
Paint, Glass and Wallpaper Store  
Painting, Picture, Poster or Frame Store  
Party Supply Store  
Pet Store  
Pizza Shop with baking  
Pizza shop with cooking  
Plumbing Supply & Fixture Store  
Pool Supply Store  
Recording Studio  
Restaurants  
Restaurant Equipment  
Retail, NOC  
Self-Storage Facilities  
Shoe Repair Store  
Shoe Store  
Sporting Goods Store, no Firearms or Ammunition  
Stationery and Card Store  
Toy, Hobby and Game Store  
Video Store  
Wholesale, NOC

**OCCUPANCY CLASSIFICATION LIST**  
**SERVICE DESCRIPTION**

Appliance repair  
Automatic Car Wash  
Clothing alteration, pressing and repair  
Clothing rental  
Clubs  
Computer Repair  
Dental Labs  
Electrotyping  
Engraving  
Event Coordinator  
Funeral Directors  
Laundry and Dry Cleaning pick up stations (no cleaning on premises)  
Laundries and dry cleaners (self-service - attended)  
Letter Service (mailing or addressing)  
Linen Supply  
Lithographing  
Media Duplication  
Office Machine Repair  
Photocopying and Blueprinting  
Photofinishing Laboratories  
Photographer

Photographic Studios  
Printing - Commercial and Related Services  
Service, NOC  
Shoe Repair  
Storage Buildings  
Tailors  
Taxidermist Services  
Tuxedo Rental  
Valet Service  
Videographer  
Watch, Clock and Jewelry Repair

**Additional Expense:** Deductible does not apply to this coverage.

**Additional Insureds:** Name, address and insurable interest are required. Mortgagees are not eligible to be added as an Additional insured, as their interest is covered by the Mortgagee agreement.

**Aggregate Limits** must be applied to all policies under Coverage L.

**A signed and completed anti - arson application** must accompany the application where required by statute (Regulation 96).

**Broad Form Perils (SF-2)** may be added on the [Custom](#) Program.

**Special Form Perils (SF-3)** may be added on the [Custom](#) Program.

**Earthquake** coverage is not available.

**Employee Dishonesty:** Maximum limit available is \$25,000 per employee. Higher limits are available with prior underwriting approval.

**Fire Legal Liability** applies to tenants of buildings, not the owner. \$50,000 is included in the Standard and Deluxe policy form. \$100,000 is included in the Premier policy form. A maximum of \$500,000 coverage may be purchased

**Loss of Income:** Deductible does not apply to this coverage. Limit = Business Personal Property Limit. Coverage may be obtained for up to a 12-month period, not limited by the policy period. **SF-312 Loss of Income Limitation** - Coverage written on contents of small offices, mercantile or service occupancies or risks not meeting minimum premium requirements must attach SF-312 which limits loss of income coverage. Form must also be applied when the amount of actual income information is not available.

**Money and Securities:** Maximum limit available is \$25,000. Higher limits are available with prior underwriting approval.

**Multiple Occupancies** are rated on the basis of the most hazardous or highest rated class.

**Professional Liability:** Clergy Professional Liability, Beauty Shop Professional Liability and Morticians or Cemetery Coverage are the only coverages available. All require prior underwriting approval.

**Rooming or Boarding Houses** are not eligible for coverage – Refer to [Custom](#) Commercial Fire Program.

**Vacant and or unoccupied** buildings are not allowed unless there is a known occupancy within 45 days. Refer to [Custom Commercial Fire Program for buildings with prolonged vacancies and or unoccupancies](#).

**Valuable Papers and Records:** Maximum Limit available is \$25,000. Higher limits are available with prior underwriting approval.

**LS-70 Business Premises Exclusion Other Than Designated Premises** is attached to designated policies including the LS-5 Liability form.

**LS-50 Employee Non-Owned Auto & LS-50A Hired and Non-owned Auto** available with prior underwriting approval.

**SF-4A Contents Special Form** may be used on a [Custom](#) BOP.

**SF-28 and SF-28A Businessowners Agreed Amount** coverage is not available.

**SF-55 Businessowners Burglary and Robbery** is available.

**SF-58 Storekeepers Burglary and Robbery** is available.

**SF-324 – Refrigerated Property** is available.

**SF-130 Business Property of Others and Customer Goods** is available.

**SF-330 Personal Injury and Advertising Injury** is available on a [Custom](#) BOP.

**LS-34 Liquor Liability** is available on select classes.

**SF-72 Backup, Discharge or Overflow** coverage is available.

**SF-315 Building Ordinance and Law** coverage is available on buildings that have been updated or built since 1975.

## **COMMERCIAL FIRE - Standard**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

The Security Mutual Insurance Commercial Fire Policy provides coverage for a risk that may not qualify for a Business Owners Policy or Special Multi-Peril Policy.

Buildings without Liability

Rented condominiums (owner of condo rents to others, seasonal rentals); call underwriting for a quote.

Personal contents in storage (rate based on building rate and location)

Repair garages without liability

Stand-alone Liability for CPL or OLT with prior underwriting approval; contact underwriting for a quote

For certain classes, optional liability is available with prior underwriting approval.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

### **MAXIMUM LIMITS**

COVERAGE A (Building)	\$500,000*
COVERAGE B (Contents)	\$350,000*
COVERAGE L (Occurrence) (Aggregate)	\$1,000,000 Twice the Occurrence Limit

\* **Higher Limits are available** with prior underwriting approval.

### **UNDERWRITING GUIDELINES AND INFORMATION**

Risks must be in **average to above average condition** with acceptable housekeeping, maintenance, and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**LS-1 or LS-5 Business General Liability** is available.

**SF-30 Sprinkler Leakage** coverage is not available.

**SF-62 Mercantile Robbery and Safe Burglary** is not available.

**SF-63 Money and Securities Broad Form** coverage is not available.

**SF- 67 Scheduled Property** coverage requires prior underwriting approval.  
**SF-68 Fine Arts** coverage is not available.

**SF-76 Valuable Papers** coverage is available

**SF-130 Bailee** coverage is not available.

**SF-132 Customer Goods** coverage is not available.

**SF-398 Earthquake** coverage is not available.

**Additional Insureds** – Name, address and insurable interest are required.

**Aggregate Limits** must be included under COVERAGE L and the LS-10 Amended Limits of Liability form is to be attached.

**A signed and completed supplemental application for arson control** must accompany the application where required by statute (Regulation 96).

**Construction Contractors** of any trade are not eligible for coverage.

**Fire Legal Liability** applies to tenants of buildings, not the owner. \$50,000 is included in the LS-6 policy form. An additional \$250,000 in coverage may be purchased for an LS-6, and up to \$300,000 may be added using the LS-48 Fire Legal Liability form when writing and LS-1 or LS-5.

**Multiple Occupancies** are rated on the basis of the most hazardous or highest rated class.

Policies are limited to **one location per policy**.

**Professional Liability:** Is not available.

**Restaurant or tavern exposures:** not acceptable – Refer to **Custom Program**. Also, not acceptable as an adjacent exposure to insured operation, unless separated by approved fire walls or more than 100 feet from insured building/operation.

**Rooming or Boarding Houses** are not eligible for coverage.

**Vacant and or unoccupied** buildings are not allowed unless there is a known occupancy within 90 days. Refer to **Custom Program**.

## **ELIGIBILITY**

**Apartments** – Five Units or more. Rooming or Boarding houses are not eligible for coverage. Rating is dependent on number of units on premises.

**Hotel/Motel:** Five units or more including cottages on premises; non franchised only

**Office:** No Architects or computer programmers

**Institutional:** Churches (Clergy Professional Liability is available), Libraries and Museums. Schools are not eligible.

**Mercantile:** The following are some of the classes we write:

Automobile Accessory Store, No automobile repair work, tire recapping or vulcanizing performed

Bakeries, selling only (no baking) on premises

Barber and Beauty Supplies

Beverage Store, selling beer and wine

Beverage Store, selling no alcoholic beverages

Book and Magazine Store

Camera and Photographic Supply Store

Candy, Nut and Confectionery Store, with no cooking on premises

Card and Stationery Store

Carpet Store, with less than 25% of total receipts derived from installation charges

Clothing Store

Confectionery, Candy, and Nut Store with No cooking on premises

Convenience Stores

Craft Store

Curtain and Drapery Store, with less than 25% of the total receipts derived from installation charges

Delicatessen – No Cooking

Department Store with more than \$500,000 annual sales

Department Store with less than \$500,000 annual sales

Drapery and Curtain Store with less than 25% of the total receipts derived from installation charges

Drug Store with NO cooking on premises

Fabric Store

Floor Covering Store incl. carpet with less than 25% of the total receipts derived from installation charges

Florist

Fraternal Organizations

Furniture Store

Game, Toy and Hobby Store

Garden and Lawn Store

General Store - Cooking permitted with Household appliances only

Gift, Novelty and Souvenir Store

Glass, Paint and Wallpaper Store (continued on next page)

Hardware Store

Health Food Store

Hobby, Toy and Game Store

Household Appliance Store with less than 25% of total receipts derived from off premises repair/services



Ice Cream Store, NO cooking on premises  
 Jewelry (not Jewelers Block)  
 Kitchen Accessories Store  
 Lawn and Garden Supply Store  
 Leather Goods Store  
 Liquor Store  
 Magazine and Book Store  
 Motels – non franchised  
 Music, Tape and Record Store  
 Musical Instruments  
 Novelty, Gift and Souvenir Store  
 Nut, Candy and Confectionery Store, with NO cooking on premises  
 Office Products Store  
 Optical Goods  
 Paint, Glass and Wallpaper Store  
 Pet Store  
 Photographic and Camera Supply Store  
 Plumbing Supply  
 Radio and Television Store with less than 25% of total receipts derived  
 from repair/service operations  
 Record, Tape and Music Store  
 Restaurant Equipment  
 Retail, NOC\*  
 Self-Storage Facilities  
 Sewing Machine Store  
 Shoe Repair Store  
 Shoe Store  
 Souvenir, Gift and Novelty Store  
 Sporting Goods Store  
 Stationery and Card Store  
 Tape, Music and Record Store  
 Television and Radio Store with less than 25% of total receipts derived from repair and service  
 operations  
 Tobacco Store  
 Toy, Hobby and Game Store  
 Upholstery Goods Store with less than 25% of total receipts derived from work performed  
 Vacuum Cleaner Sales and Service Store  
 Variety Store  
 Wallpaper, Paint and Glass Store  
 Wholesale, NOC\*  
 \* Subject to underwriting approval of specific occupancy type.

**Processing and Service:** The following are some of our acceptable classes:

Appliance repair  
 Automatic Car Wash  
 Barber Shop  
 Beauty Shop (Professional Liability is available)

Clothing alteration, pressing and repair  
Clothing rental  
Clubs  
Coin Operated Laundries and dry cleaners (self-service - attended)  
Dental Labs  
Dry Cleaning – Pick Up Stations only (no cleaning on premises)  
Electrotyping  
Engraving  
Funeral Directors (No Professional Liability available)  
Laundromats – coin operated, attended only  
Letter Service (mailing or addressing)  
Linen Supply  
Linotyping  
Lithographing  
Photocopying and Blueprinting  
Photoengraving  
Photofinishing Laboratories  
Photographic Studios  
Printing - Commercial and Related Services (small scale)  
Radio and TV Repair  
Shoe Repair  
Stenographic and Duplicating, NOC  
Storage Buildings  
Tailors  
Tuxedo Rental  
Valet Service  
Watch, Clock and Jewelry Repair

**If you have questions on the acceptability of any risk please call the underwriting department. Company final acceptance is subject to inspection results, review and approval on all risks.**

## **COMMERCIAL FIRE - Custom**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

The Security Mutual Insurance Commercial Fire Custom Policy provides coverage for a risk that may not qualify for a Business Owners Policy or Special Multi-Peril Policy.

Buildings without Liability  
Storage Buildings and Warehouses  
Vacant Properties (no binding authority contact Underwriting)  
Bed and Breakfasts  
Commercial properties under renovation (no binding authority contact Underwriting)  
Owner Occupied Auto Repair garages without liability  
Rooming and Boarding Houses  
Seasonal Risks are available.  
SF-1 is available for binding. Broader coverage requires prior underwriting approval.

### **BINDING AUTHORITY**

#### **MAXIMUM LIMITS**

COVERAGE A (Building)	\$200,000*
COVERAGE B (Contents)	\$200,000*
COVERAGE L (Occurrence)	\$500,000*
(Aggregate)	Twice the Occurrence Limit

\* Higher Limits are available with prior underwriting approval.

### **UNDERWRITING GUIDELINES AND INFORMATION**

Risks must be in **average condition** with acceptable housekeeping, maintenance, and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**LS-1 Business General Liability** is available. LS-5 is available with prior underwriting approval.

**LS-59–Lead Exclusion will be attached if habitational exposure (1980 or prior) without certified lead paint certification.**

**LS-70A: Business Premises Exclusion Other Than Designated Premises** is attached to all policies involving corporations or LLCs.

**SF-28 Agreed Amount** coverage is not available.

**SF-30 Sprinkler Leakage** coverage is not available.

**SF-33 Functional Replacement Cost** is not available.

**SF-62 Mercantile Robbery and Safe Burglary** is not available.

**SF-63 Money and Securities Broad Form** coverage is not available.

**SF-68 Fine Arts** coverage is not available.

**SF-76 Valuable Papers** coverage is not available

**SF-130 Bailee** coverage is not available.

**SF-132 Customer Goods** coverage is not available.

**SF-398 Earthquake** coverage is not available.

**Additional Insureds** – Name, address and insurable interest are required.

**Aggregate Limits** must be included under COVERAGE L and the LS-10 Amended Limits of Liability form is to be attached.

**Construction Contractors** of any trade are not eligible for coverage.

**Fire Legal Liability** limits up to \$100,000 may be added using the LS-48 Fire Legal Liability form when writing and LS-1 or LS-5.

**Multiple Occupancies** are rated on the basis of the most hazardous or highest rated class.

Policies are limited to **one location per policy**.

**Professional Liability:** Is not available.

**Vacant and or unoccupied** buildings are allowed.

### **ELIGIBILITY**

**Apartments** – 5-10 Units. Larger exposures require underwriting review and approval. Rooming or Boarding houses require underwriting review and approval.

**Hotel/Motel:** Five units or more including cottages on premises; non franchised only

**Bars, Taverns and Restaurants:** Restaurant operators must have at least three (3) years restaurant or tavern management experience in this industry.

**Restaurant Requirements:** Approved hood and duct system with automatic fire suppression (ANSUL) with ongoing maintenance agreements for both systems. These requirements may also be applicable to tavern risks, depending on extent of cooking done.

Incidental catering (less than 20% of total sales) and delivery is allowed (50% of total receipts from delivery) are acceptable. Agent must provide acceptable MVRs for all drivers. \$100,000 limit (Form LS-50 applies). Higher limits require underwriting approval. Max limit \$300,000. To qualify as a restaurant, at least 50% of total receipts should be from sale of food.

**LS-73 Assault and Battery Exclusion Form:** mandatory on all restaurant, tavern and club risks.

**LS-14 Athletic Participants Exclusion:** mandatory on all restaurant, tavern and club risks. Risks with on-premises athletic or sports related activities or risks sponsoring sports teams may not be eligible and **require prior underwriting approval.**

**LS-34 Liquor Legal** is available with limits up to \$100,000 maximum for restaurant exposures **ONLY**. Requires completion of Liquor Legal supplemental application **and prior underwriter approval**. Tavern risks do not qualify for Liquor Legal Coverage

**Office:** No Architects, engineers or computer programmers

**Institutional:** Churches (Clergy Professional Liability is not available), Libraries and Museums. Schools are not eligible.

**Mercantile:** The following are some of the classes we write:

Automobile Accessory Store, No automobile repair work, tire recapping or vulcanizing performed

Bagel Shops

Bakeries

Barber and Beauty Supplies

Bars and Taverns

Bed and Breakfasts

Beverage Store, selling beer and wine

Beverage Store, selling no alcoholic beverages

Bottle Redemption Stores

Camera and Photographic Supply Store

Candy, Nut and Confectionery Store, with no cooking on premises

Card and Stationery Store

Clothing Store

Convenience Stores

Craft Store

Delicatessen

Fabric Store

Florist

Fraternal Organizations

Furniture Store

General Store - Cooking permitted with

Gift, Novelty and Souvenir Store  
Grocery Stores (less than 5,000 sq. feet)  
Hardware Store  
Health Food Store  
Ice Cream Store  
Jewelry (not Jewelers Block)  
Kitchen Accessories Store  
Lawn and Garden Supply Store  
Leather Goods Store  
Liquor Store  
Magazine and Book Store  
Motels – non franchised  
Music, Tape and Record Store  
Musical Instruments  
Office Products Store  
Optical Goods  
Pizza Shops  
Plumbing Supply  
Record, Tape and Music Store  
Restaurant  
Restaurant Equipment  
Retail, NOC\*  
Self-Storage Facilities  
Shoe Store  
Tape, Music and Record Store  
Tattoo Parlors  
Tobacco Store  
Toy, Hobby and Game Store  
Variety Store  
Wholesale, NOC\*;

\* Subject to underwriting approval of specific occupancy type.

**Processing and Service:** The following are some of the classes we write:

Barber Shop (Professional Liability is available)  
Beauty Shop (Professional Liability is available)  
Clubs  
Coin Operated Laundries and dry cleaners (self-service - attended)  
Dry Cleaning – Pick Up Stations only (no dry cleaning on premises)  
Funeral Directors (No Professional Liability available)  
Linotyping  
Lithographing  
Printing - Commercial and Related Services (small scale)  
Storage Buildings  
Tailors

**If you have questions on the acceptability of any risk please call the underwriting department.  
Company final acceptance is subject to inspection results, review and approval on all risks.**

## **DWELLING FIRE - Standard**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

The Security Mutual Insurance Dwelling Fire Program provides coverage for risks that may not qualify for the *ULTR*Security Homeowners, Homeowners or Manufactured Mobile Homeowners policies, or for the Landlord Package.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

### **MAXIMUM LIMITS**

Coverage A (Building)

PROTECTED

\$750,000\*

UNPROTECTED

\$350,000\*

\* **Higher Limits are available** with prior underwriting approval

### **MINIMUM LIMIT**

\$ 30,000\*\*

\*\*Seasonal or secondary dwellings are subject to the above minimum. However, if Security Mutual also insures the primary home, a \$15,000 minimum applies.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES AND INFORMATION**

Dwellings must be in **average to above average condition** with acceptable housekeeping and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations; **multiple dwellings can be insured on the same policy if they are on the same deed**.

Active **farms** are not eligible for coverage.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Builders' risks:** when construction completion is expected to take longer than 180 days. The broadest coverage available is the FL-1R with EC and VMM. Coverage is to be written at 100% of the completed value. During the first year, the builder's risk rate is 55% of the regular rate. Thereafter, the full rate and premium are charged. If FL-OLT is added to the policy, the LS-8 is required. **Not eligible:** builder's risk to be sold upon completion; refer to [Custom Program](#).

**FL-1 Basic Policy Form:** This form is the broadest coverage available for dwellings with open or pier foundations or without central heat.

**FL-2 Broad Form:** Maximum coverage available for: dwellings with roofs over 25 years old or with boat access only.

**FL-3 Special Form** Only available on occupied dwellings with a roof that is 25 years old or less. This coverage is available on seasonal or secondary dwellings as long as :

1. The home is accessible year round
2. The roof is 25 years old or newer
3. There is central heat
4. The home is not built on piers
5. They winterize the home by draining the pipes or,
6. They maintain heat with a low temperature alarm or,
7. They have a water shut-off device

Not eligible: Dwellings with flat roofs and attached to other structures, dwellings located in zone 2, vacant or unoccupied dwellings, dwellings built on piers or without central heat.

**FL-16 Incidental Business Activity Endorsement:** available for incidental office or business occupancies.

**FL-59/ML-59 Lead Exclusion** will be added to all multi-family homes, vacant, unoccupied or homes that are under renovation, and to homes that have any rental exposure.

**General Liability** coverages may be added to a Dwelling Fire Policy.

**Hunting or sports camp** open to the public are not eligible.

The dwelling must be primarily used for residential purposes. **Incidental business or office occupancy** is allowed when occupied by owner or resident of the dwelling. No incidental or business occupancies are permitted in New York City.

**Pools on rented premises:** We would prefer to avoid rentals on homes, primary or secondary, with pools altogether, however, we will consider exceptions with underwriting approval. To consider a home for an exception, we would like the pool surrounded by a perimeter fence with a locking gate to prevent access to the pool when it is not in use and a Hold Harmless agreement clearly stating that the tenants are using the pool at their own risk. If there is direct access from the home to the pool area, there needs to be a door alarm and/or floating alarm to alert tenants of someone being in the pool area.

**Tenant occupied mobile homes** may be written but require prior underwriting approval. They are subject to a maximum age of 12 years at time first written. See **Mobile Home Program** underwriting guidelines for additional requirements.

Dwellings **must be occupied** at effective date or within 45 days after inception.



**Seasonal rented dwellings** may be written but require prior underwriting approval. See Landlord Package underwriting guidelines for additional requirements. We do not wish to insure rental dwellings that are not managed directly by the insured or someone employed by the insured to manage the insured's' property. **Management Companies** are not acceptable. **Canoes, paddle boats, kayaks, row boats** available for use by tenants require a separate commercial fire policy (boats, no motor, for hire). Signed waiver, including statement that crafts are not available for rent by the public and are for the sole use by tenants with permission, is required. **Year-round rentals** should be written in our Landlord Package Program

**Student occupancies** are not permitted. Refer to **Custom Program**.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the FL-1 Basic Form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

**Vacant or Unoccupied Dwellings** – Under most circumstances these are not eligible for Standard coverage, refer to a **Custom Program**. Coverage may be available to existing Security Mutual Homeowner policyholders. The vacant or unoccupied dwelling is subject to prior underwriting approval. Maximum coverage available is FL-1 with EC and no VMM and the appropriate surcharge.

**Year-round rentals** should be written in our Landlord Package Program.

## **DWELLING FIRE - Custom**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

The Security Mutual Insurance Custom Dwelling Fire Program provides coverage for risks that may not qualify for the Homeowners, Manufactured Mobile Homeowners or Landlord Package.

### **BINDING AUTHORITY**

#### **MAXIMUM LIMITS**

Coverage A (Building)

PROTECTED

\$300,000\*

UNPROTECTED

\$ 75,000\*

COVERAGE L –

\$300,000\*

COVERAGE M – (Medical Payments)

\$ 2,000\*

\* **Higher Limits are available** with prior underwriting approval

**MINIMUM LIMIT**

\$ 10,000

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES AND INFORMATION**

Dwellings must be in **average condition** with acceptable housekeeping and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**One location per policy.**

Active **farms** are not eligible for coverage, but **farm or related farm outbuildings** may be considered with prior underwriting approval.

**FL-1 Basic Policy Form** is available to agents for binding. FL-2 or FL-3 are available but require prior underwriting approval.

**FL-59–Lead Exclusion will be attached if habitational exposure (1980 or prior) without certified lead paint certification.**

The dwelling must be primarily used for residential purposes (1 and 2 family dwellings).

**ACV or RCV** is available on dwellings. **ACV only** on contents

**ACV only for FL-1 Basic Form**

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Pools on rented premises:** We would prefer to avoid rentals on homes, primary or secondary, with pools altogether, however, we will consider exceptions with underwriting approval. To consider a home for an exception, we would like the pool surrounded by a perimeter fence with a locking gate to prevent access to the pool when it is not in use and a Hold Harmless agreement clearly stating that the tenants are using the pool at their own risk. If there is direct access from the home to the pool area, there needs to be a door alarm and/or floating alarm to alert tenants of someone being in the pool area.

**Seasonally rented dwellings** may be considered but require prior underwriting approval.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the FL-1 Basic Form only. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

**Student occupancies** should be referred to [Custom](#) Landlord program.

**Tenant-occupied mobile homes** are eligible.

Dwellings **Under Renovation and Builders Risk** Available-no binding authority: [contact company for consideration.](#)

**Year-round rentals** should be written in our [Custom](#) Landlord Package Program.

## **GENERAL LIABILITY**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

#### Maximum Limits

Per Occurrence	\$ 500,000*
Aggregate	\$1,000,000
Medical Payments	\$2,000 / 50,000
Products/Completed Operations	\$ 300,000
LS-50 Employee Non-Owned Auto	\$ 300,000
LS-50A Hired and Non-owned Auto	\$ 300,000

Monoline General Liability

No Binding Authority, Refer to Underwriting for CGL exposures

\*Higher limits available with prior underwriting approval  
Binding authority is also **subject to the Underwriting Guidelines** below.

### **COVERAGE AVAILABLE**

Business General Liability (CGL)  
Comprehensive Personal Liability (CPL)  
Employers Hired and Non-Owned Auto Liability  
Manufacturers and Contractors\*  
Owners, Landlord and Tenants Liability (OLT) \*\*  
Owners and Contractors Protective Liability\*  
Products/Completed Operations (Incidental coverage only)

\* All classes require prior approval from underwriting

\*\* Most classes available – check with underwriting

### **MINIMUM PREMIUM**

Standard: \$40.00 multiplied by the increased limit factor  
Dwelling: \$31.25 multiplied by the increased limit factor  
Minimum Premiums apply per location.

There are classification minimums for some classes. See rating manual for rules that apply in those situations.

Products/Completed Operations minimum is \$50.00 multiplied by the increased limit factor. Note: This is in addition to the Standard minimum.

## **UNDERWRITING GUIDELINES AND INFORMATION**

Risks must be in **average to above condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

Coverage is not available if not **supported by property coverage. (Refer to Underwriting for CGL exposures)**

**Aggregate limits** are required on all Commercial New Business and encouraged on all renewals.

**Coverage for boats** is available under CPL. Coverage for rental boats, may be available in certain circumstances, and requires prior approval from the underwriting department.

**Products coverage:** refer to underwriting.

**LS - 1S, 3S, 4S or 5S forms** must be used to list classifications, rates and rating basis for each class and location.

**CSL:** All classes and coverages are written at combined single limits; split limits for BI and PD are not available.

**Owners and Contractors Protective Liability** and only be written in the Owner's name. Not available for Contractors.

**Real Estate Management** firms may not be added to any policy as named or additional insureds without prior approval from the underwriting department. A specific insurable interest is required.

**Employers Hired and Non-owned Liability** is available in the Businessowners Program and Special Multi-Peril Program.

Coverage may not be written for any local, state or federal governmental entity.

Local, state or federal governmental entities cannot be added to any policy as additional insureds without prior approval from the underwriting department.

## **HOMEOWNERS - Standard**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department.**

### **MAXIMUM LIMITS**

COVERAGE A – (Residence)	\$750,000*
COVERAGE A – UNPROTECTED	\$400,000*
COVERAGE C – (Personal Property)	Coverage A Limit
COVERAGE C - ML-4 (Tenants)	\$50,000*
COVERAGE L – (Bodily Injury/Property Damage)	\$1,000,000
On homes with ML-2 form or higher	(Except Zone 2 – see below)
COVERAGE M – (Medical Payments)	\$2,000
COVERAGE L – Zone 2	\$500,000

### **SCHEDULED PERSONAL PROPERTY**

Per Schedule	\$ 40,000
Per Item – Jewelry, Furs, Cameras, Musical Instruments, Silverware etc., Golfer's Equipment, Fine Arts, Postage Stamps, Coins	\$ 15,000

See the INLAND MARINE SECTION for higher limits.

PRIVATE STRUCTURES (RENTED) ON PREMISES	Less than Coverage A
WATERCRAFT – Per Schedule	\$ 25,000

(Reference boats below and in the Inland Marine section for additional information).

\* **Higher Limits are available** with prior underwriting approval.

### **MINIMUM LIMITS**

COVERAGE A - ML-3 or ML-5 Forms	\$ 75,000
ML-1 or ML-2	\$ 50,000
SEASONAL OR SECONDARY	\$ 15,000
RESIDENCE REPLACEMENT COST	\$ 75,000
COVERAGE C - ML-4 (Tenants)	\$ 8,000
ML-4 - WITH ML-55	\$ 10,000
REPLACEMENT COST CONTENTS (ML-55)	
PRIMARY – COV A LIMIT	\$ 75,000
SEASONAL OR SECONDARY– COV A LIMIT	\$ 75,000

Binding authority is also **subject to the Underwriting Guidelines** below.

## **UNDERWRITING GUIDELINES and INFORMATION**

**Coverage is available:** One to four family owner occupied dwellings; seasonal or secondary dwellings; tenants; condominium owner-occupied units; modular homes installed on permanent foundations; doublewide mobile homes sitting over a cellar or on a continuous masonry foundation. (Continuous masonry foundation shall mean an uninterrupted wall of masonry – cinder or cement block – extending from below grade level up to the building and enclosing the base of the building or mobile home). Dwellings must be in **average to above average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**ML-1R Basic Policy Form:** This form is the broadest coverage available for dwellings with open or pier foundations or without central heat.

**ML-2 Broad:** Maximum coverage available for: dwellings with roofs over 25 years old; seasonal or secondary dwellings (see below for ML-3 eligibility); homeowners intending to replace their roof in the first year of coverage; homes with boat access only. ML-2 is the maximum coverage available for Builder's Risk policies if construction will be completed within 180 days. (Note: Our Homeowners product may be used for Builder's Risk exposure only when completion is scheduled within 180 days of inception). When construction is scheduled to last more than 180 days, coverage may be considered in our Dwelling Fire Program. **Not eligible:** builder's risk to be sold upon completion.

**ML-3 Special:** There is a 25-year-old roof threshold for acceptance. This coverage is available on seasonal or secondary dwellings as long as:

1. The home is accessible year round
2. The roof is 25 years old or newer
3. There is central heat
4. The home is not built on piers
5. They winterize the home by draining the pipes or,
6. They maintain heat with a low temperature alarm or,
7. They have a water shut-off device.

Attached dwellings with a flat roof are not eligible. ML-3 is available on ACV policies unless the home is located within zone 2 (see **zone 2** specific information)

**ML-4 Tenants:** MAY NOT be written in the name of two unmarried or unrelated persons. A separate policy is needed and may be issued for each. (Note: Regular HO may be written in the name of two unmarried or unrelated persons if both are on the deed and live in the home). Tenant policies are not eligible for nonsmoker credit if there is more than one rental unit in dwelling. The total number of rental units in the building is needed for rating purposes. Not available for tenants of manufactured mobile homes. (Note: Manufactured mobile home tenants may be written in our Dwelling Fire Program if the mobile home is 12 years old or

newer. Please refer to [Custom](#) program for older mobile homes). See the **SMIC-ML-38** for landlords who want to be listed as additional interests for notification purposes only.

**ML-5 Form:** Available on HIGH QUALITY homes, insured to at least 90% of replacement cost and less than 40 years old OR fully renovated within the last 40 years at time of attachment. Roof must be 25 years old or newer. Replacement cost estimator is required. This coverage is not available on seasonal dwellings. ACV is not available with the ML-5.

**Not eligible:** Dwellings with flat roofs; attached dwellings; seasonal or secondary homes; townhouses; mobile homes; homes located in **Zone 2**; homes built on open pier foundations.

**ML-16 Comparable Value Endorsement:** For well-kept homes, in good condition, and the insureds choose to insure the home for less than 80% but at least 50% of the estimated replacement cost on an actual cash value basis. This form, at no additional cost, eliminates the co-insurance penalty on partial losses.

**ML-23 Additional Household Member Coverage** This form provides personal property and comprehensive personal liability coverage to an additional household member who is not on the deed or not married or related to the named insured. (Note: Not available on tenant policies (ML-4 Form). Available for condo policies (ML-4 with the ML-31 or ML-32 forms). The additional household member is to be listed by name on the form.

**ML-24A Residence Special Loss Settlement Endorsement** (similar to the industry's "Guaranteed Replacement Cost" with a 125% limitation) Roof, plumbing, heating and electrical systems need to have been fully updated within the last 20 years. Coverage A must be written at 100% replacement cost with a mandatory inflation. It may be written on ML-2, ML-3 and ML-5 only. Not available on seasonal or secondary dwellings, unless we also write the primary Homeowners insurance. Not eligible: homes that contain lead or asbestos.

**ML-29 Assisted Living Care Facility Resident Coverage** extends personal property (10%) and personal liability coverage to someone who does not live with the insured but who is related to the insured by blood, marriage or adoption, and who regularly resides in an assisted living care facility located in New York State. The name of the individual and the name of the facility are listed on the form.

**SMIC-ML-38 Additional Interest Form** for Landlords who want to be named on Tenant Homeowners policies for notification purposes only.

**ML-55 Replacement Cost Personal Property:** Secondary or seasonal dwellings minimum Coverage A limit is \$75,000. Tenants (ML-4) Form minimum personal property limit is \$10,000. Not available until premises are occupied by insured. Not available on policies with the ML-1R perils form.

**ML-59 Lead Exclusion** will be added to all multi-family homes, vacant, unoccupied or homes that are under renovation, and to homes that have any rental exposure.



**ML-64H Higher Limits on Certain Property** increases the sublimit of certain classes of personal property when the ML-147, ML-148, ML-150, ML-150A or SMIC-ML-150C is on the policy. Contact the underwriting department for maximum limits available.

**ML-65H Higher Limits on Certain Property:** Increases the sublimit of certain classes of personal property when the ML-147, ML-148, ML-150, ML-150A or SMIC-ML-150C is not on the policy. Contact the underwriting department for maximum limits available.

**ML-70 Additional Residence Rented to Others:** This form is no longer offered unless the rented dwelling is on or next to the described location.

**ML-72 Added Water Damage Coverage** Allows the purchase of additional Water Backup coverage in excess of the ML-150, ML-150A or SMIC-ML-150C (\$2,500) up to **\$20,000**. Premium charge is only for the limit in excess of \$2,500. Not available on secondary dwellings. Total limit including the \$2,500 from the ML-150, ML-150A or SMIC-ML-150C is listed on the form.

**ML-147 Homeowners' Increased Coverage:** Broadest coverage available on seasonal/secondary homes

**ML-165A Storm/Hurricane Shutters** enables a credit for residences with conforming shutters on all window and door openings.

**ML-166 Hurricane Resistant Glass** enables a credit for dwellings with approved hurricane resistant glass throughout the entire dwelling.

**ML-189 Identity Fraud** Mandatory on all new and renewal business. Not available on seasonal or secondary homes.

**ML-346A Mechanical, Electrical or Pressure System Breakdown.** Mandatory on all new and renewal business.

**ML-373H Hurricane Deductible** is mandatory and only available in Kings, Nassau, Queens, Richmond and Suffolk Counties. A \$1,000 deductible applies for all Category 1 hurricanes (determined by the Saffir-Simpson Hurricane Scale). The hurricane deductible for all Category 2 and higher storms is determined by a percentage of the Coverage A limit (see rating manual). There is no change in our coastal underwriting guidelines. Note: This deductible does not apply to ML-4 policies.

**ML-375 Siding or Roofing Matching Coverage** enhances coverage (up to 10% of Coverage A) in the event the materials at the time of a covered loss are no longer available. Dwelling must be 25 years old or newer at time of this coverage attachment; not available on t-lock shingle roofs or faded siding.

**ML-430 Renewal Endorsement** enables continuous renewal by certificate rather than with a complete set of forms at each renewal.

**Actual Cash Value – Residence Coverage A:** available to insureds who do not want to insure the home to 80% of the estimated replacement cost. 50% of replacement cost is required to qualify for the **ML-16. (See above)**

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Bed and Breakfasts - Owner occupied** may be written on a Homeowner's Policy with up to four rooms by using the three and four family homeowners rating and adding the **ML-42** Form. The number of rental rooms must be stated on the application.

**Boats** can be added (**MR-51 Physical Damage, ML-75 Liability**) to a Homeowner Policy with a 25% discount. Watercraft with inboard, inboard/outboard or outboard motors less than 50 HP and sailboats less than 26 feet are automatically covered under Coverage L and M. Sailboats, Inboard-outboard and Outboard engines only are permitted for Physical Damage (**MR-51**). Inboard motorboats are not eligible for Physical Damage coverage.

**Required information:**

**Boat with outboard motor:** year, make, model, serial number, length, value of the boat; year, make, model, serial number, horsepower, value of the motor.

**Inboard/Outboard boat:** year, make, model, serial number, length, horsepower, value, maximum speed, navigation period.

**Inboard Boat:** description of boat, speed, length, maximum speed, navigation period.

Maximum Horsepower: 260

**Canoes, paddle boats, kayaks, row boats** available for use by tenants require a separate commercial fire policy (boats, no motor, for hire). Signed waiver, including statement that crafts are not available for rent by the public and are for the sole use by tenants with permission, is required.

**Business outbuildings** are not eligible for coverage.

**Condominiums:** Use the ML-4/ML-4T for contents, the ML-31 or ML-32 for inside walls and fixtures coverage and the ML-35 with at least \$10,000 for loss assessment coverage.

**Corporal Punishment** coverage part under Business Pursuits coverage is not available as it is prohibited by statute.

**Day Care** coverage may be written for childcare or babysitting under the **ML-42** when there are no more than three children total. Named insureds' children count if under school age.

**Earthquake Coverage (ML-54)** requires prior underwriting approval. Coverage must be written on ML-2, ML-3 or ML-5 forms. Coverage A limit must reflect 80% replacement cost.

**Farm properties** are not eligible for coverage unless the farm is a "GENTLEMEN'S FARM" for personal use only. Farm outbuildings could be referred to **Custom Program**.

**Farmers CPL (ML-10)** is allowed for INCIDENTAL FARMING, i.e. personal consumption, cutting hay or renting out property, ONLY.

All **Named Insureds** must reside in the same unit in multi-family dwellings.

**New home discounts** of 5-10% are available – see Rating Manual.

**Non-smoking credit of 10%** is available. Insured must warrant that all residents of the household have been non-smokers for at least one year. If a smoker becomes a permanent resident, company must be notified within 30 days and loss of credit will result until such time that smoker moves or meets the one-year non-smoking requirement. This credit is not available on ML-4 Tenant's form unless the tenant occupies a one family home. The credit is available on two through four family owner-occupied homes only if the owner can warrant that all residents are non-smokers.

**Private structures rented to others on premises (ML-40)** maximum limit is less than Coverage A. If higher limits are needed, a Landlord Package policy should be written. Private structures occupied by a family member (even if no rental income is collected) are considered rented to others as there is a separate household. If furnished for vacation rentals, use the **ML-42** form.

**Renewal credit of 5%** is offered automatically, after the first renewal. It is also available when an existing policyholder purchases a new home or when coverage is canceled and rewritten (after the first renewal) in the *UltraSecurity* Program.

**Replacement cost eligibility:** When the market value of certain risks is so much lower than the replacement cost, we may not want to insure to replacement cost and thus create a moral hazard. If the market value or purchase price is less than 33% of the estimated replacement cost, contact the underwriting department to discuss replacement cost eligibility.

**Retail occupancies/operations** are not allowed under incidental business coverage (ML-42) unless operated for less than 20 hours per week. Prior underwriting approval of such risks is required.

**Satellite Dish coverage (ML-49):** Only the cost of the outside components should be insured on this form, as the inside receiver is covered under personal property.

**Seasonal or secondary properties:** The primary homeowner's policy is desired, but not required, as supporting business. ML-3 coverage is available as long as: the dwelling is accessible by road year-round; the roof is 25 years old or newer; there is a central heat source, and the home is not built upon piers. Otherwise, ML-2 is the maximum coverage available. ML-1 is the maximum coverage available for dwellings built on piers. ML-55 Replacement Cost Contents coverage is only available if the Coverage A limit is \$75,000 or more. No off-premises Coverage C, L or M is provided.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the ML-1R form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

**Students – Full Time** away from home are covered under the policy for up to 10% of Coverage C, or \$2,500 whichever is greater, and for liability.

**Superior home credit (10%):** 40 years or newer with a 25-year-old roof, or full updates in last 20 years; Coverage A limit must be at least 90% of replacement cost; \$75,000 minimum Coverage A limit; \$100,000 minimum CPL limit; agency must request the credit. Not available with ML-1 coverage form, homes located in zone 2, or on doublewides. Only available on seasonal or secondary homes if we also insure the primary – even if the primary is not eligible. Available on homes located in Zone 1 only.

**Swimming Pools** – inground pools require a perimeter fence with gate that locks, above ground pools require locking ladder or locking gate if there is a deck. **Pools and the rental of residence charge:** We would prefer to avoid rentals on homes, primary or secondary, with pools altogether, however, we will consider exceptions with underwriting approval. To consider a home for an exception, we would like the pool surrounded by a perimeter fence with a locking gate to prevent access to the pool when it is not in use and a Hold Harmless agreement clearly stating that the short-term tenants are using the pool at their own risk. If there is direct access from the home to the pool area, there needs to be a door alarm and/or floating alarm to alert tenants of someone being in the pool area.

**T-lock shingle roofs** are acceptable with a \$1,000 deductible, ML-3 Special Form if the roof is 25 years old or newer; the ML-375 Siding and roofing matching is not available.

**Trampolines:** will be excluded, signed ML-52 Trampoline Exclusion required. To request the removal of the exclusion, submit a signed Request to Remove the ML-52 Trampoline Exclusion with a completed Trampoline Questionnaire.

**Vacation Rentals** (Airbnb, Inc. Vrbo®): rental of residence surcharge for up to three months is available when the whole home is made available to short term tenants. For rentals of the whole home, greater than three months, use a Landlord Package with a seasonal charge (for year-round vacation rentals) or a seasonal Dwelling Fire policy (for homes that are closed up for the winter). Use the **ML-42** if up to four rooms in the home or another structure on the premises is available for short-term rentals.

**Zone 2 Specific:** ML-3 Coverage Eligibility - \$500 minimum deductible; RCV (80%) required; roof is newer than 25 years old; risks that have been in the NY Fair Plan, cancelled or non-renewed are not eligible; There must be 12 feet of separation between dwellings and can be no losses within the last five years regardless of the form of coverage. The superior home credit is not available. Note: **Zone 2 applicability** is a function of the responding Fire Department, not necessarily the location address.

## **HOMEOWNERS – Custom**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

#### **MAXIMUM LIMITS**

COVERAGE A – (Residence)	\$300,000*
COVERAGE A – SEASONAL	\$150,000*
COVERAGE C – (Personal Property)	Coverage A Limit
COVERAGE C - ML-4 (Tenants)	\$ 25,000*
COVERAGE L – (Bodily Injury/Property Damage)	\$300,000*
COVERAGE M – (Medical Payments)	\$ 2,000*
MINIMUM DEDUCTIBLE:	\$ 500

#### **SCHEDULED PERSONAL PROPERTY**

Per Schedule	\$ 40,000
<b>Per Item</b> – Jewelry, Furs, Cameras, Musical Instruments, Silverware etc., Golfer's Equipment, Fine Arts, Postage Stamps, Coins	\$ 15,000

See the INLAND MARINE SECTION for higher limits.

PRIVATE STRUCTURES (RENTED) ON PREMISES	15% of COV A
WATERCRAFT – Per Schedule	\$ 25,000

(Reference boats below and in the Inland Marine section for additional information).

\* **Higher Limits are available** with prior underwriting approval.

#### **MINIMUM LIMITS**

COVERAGE A - ML-1	\$ 25,000
COVERAGE C - ML-4 (Tenants)	\$ 15,000

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

The Security Mutual Insurance **Custom** Homeowners Program provides coverage for one- or two-family owner-occupied dwellings; seasonal or secondary dwellings; renters (ML-4) modular homes installed on permanent foundations; doublewide mobile homes sitting over a cellar or on a continuous masonry foundation. (Continuous masonry foundation shall mean an uninterrupted wall of masonry – cinder or cement block – extending from below grade level up to the building and enclosing the base of the building or mobile home). Dwellings must be in **average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**ML-1 Basic Policy Form:** Agents may bind this coverage form.

**ML-2 or ML-3** are available but require prior underwriting approval.

**ML-4 Tenants:** MAY NOT be written in the name of two unmarried or unrelated persons. A separate policy is needed and may be issued for each. (Note: Regular HO may be written in the name of two unmarried or unrelated persons if both are on the deed and live in the home). The total number of rental units in the building is needed for rating purposes. Not available for tenants of manufactured mobile homes. Refer to [Custom](#) Mobile Homeowners Program.

**ML-14 punitive damages exclusion**

**ML-19 policy endorsement (excluding willful acts)**

**ML-52A trampoline exclusion added to all policies**

**ML-55 Replacement Cost Personal Property: Is available subject to minimum limits noted earlier.** Not available until premises are occupied by insured. Not available with ML-1.

**ML-59 Lead Exclusion** will be added to all multi-family homes, vacant, unoccupied or homes that are under renovation, and to homes that have any rental exposure.

**ML-87 exclusion-Asbestos, Dioxin PCP**

**ML-189 Identity Fraud** Mandatory on all new and renewal business. Not available on seasonal or secondary homes.

**ML-346A Mechanical, Electrical or Pressure System Breakdown.** Mandatory on all new and renewal business.

**ML-347 capped mold remediation endorsement added**

**ML-373H Hurricane Deductible** is mandatory and only available in Nassau and Suffolk Counties. A \$1,000 deductible applies for all Category 1 hurricanes (determined by the Saffir-Simpson Hurricane Scale). The hurricane deductible for all Category 2 and higher storms is determined by a percentage of the Coverage A limit (see rating manual). **There is no change in our coastal underwriting guidelines.** **Note:** This deductible does not apply to ML-4 policies.

**ML-430B Renewal Endorsement** enables continuous renewal by certificate rather than with a complete set of forms at each renewal.

**Actual Cash Value (ACV) – Residence Coverage A:** All properties older than 1940 will be written on actual cash value basis. Other properties whose owners choose not to insure the home to 80% of the estimated replacement cost will also receive actual cash valuation.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Boats** can be added (**MR-51 Physical Damage, ML-75 Liability**) to a Homeowner Policy. Watercraft with inboard, inboard/outboard or outboard motors less than 50 HP and sailboats less than 26 feet are automatically covered under Coverage L and M. Sailboats, Inboard-outboard and Outboard engines only are permitted for Physical Damage (**MR-51**). Inboard motorboats are not eligible for Physical Damage coverage.

**Required information:**

**Boat with outboard motor:** year, make, model, serial number, length, value of the boat; year, make, model, serial number, horsepower, value of the motor.

**Inboard/Outboard boat:** year, make, model, serial number, length, horsepower, value, maximum speed, navigation period.

**Inboard Boat:** description of boat, speed, length, maximum speed, navigation period.

Maximum Horsepower: 260

**Business outbuildings** require prior underwriting approval.

**Deductible:** Minimum deductible is \$500

**Farm properties** are not eligible for coverage. Farm outbuildings could be considered under **Dwelling Fire Program**.

All **Named Insureds** must reside in the same unit in multi-family dwellings.

**Replacement cost eligibility:** Risks may be eligible if year of construction is 1940 or newer. If this is a new purchase and/or if the market value is less than 33% of the estimated replacement cost, contact the underwriting department.

**Seasonal or secondary properties:** The primary homeowner's policy is not required. ML-1 is the maximum coverage available for seasonal or secondary dwellings. ML-55 Replacement Cost Contents coverage is not available.

**Students – Full Time** away from home are covered under the policy for up to 10% of Coverage C, or \$2,500 whichever is greater, and for liability

**Swimming Pools** – inground pools require a perimeter fence with gate that locks, above ground pools require locking ladder or locking gate if there is a deck.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. Dwellings where the SFB is the only source of heat **DO NOT** qualify for Homeowners but are eligible for Dwelling Fire Program. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

## **HOMEOWNERS- ULTRASecurity**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

### **MAXIMUM LIMITS**

COVERAGE A – (Residence)	\$750,000*
COVERAGE A – UNPROTECTED	\$400,000*
COVERAGE C – (Personal Property)	Coverage A Limit
COVERAGE L – (Bodily Injury/Property Damage)	\$1,000,000*
COVERAGE M – (Medical Payments)	\$2,000

### **SCHEDULED PERSONAL PROPERTY**

Per Schedule	\$ 40,000
Per Item – Jewelry, Furs, Cameras, Musical Instruments, Silverware etc., Golfer's Equipment, Fine Arts, Postage Stamps, Coins	\$ 15,000

See the INLAND MARINE SECTION for higher limits.

PRIVATE STRUCTURES (RENTED) ON PREMISES	less than Coverage A
WATERCRAFT – Per Schedule	\$25,000

(Reference boats below and in the Inland Marine section for additional information).

\* **Higher Limits are available** with prior underwriting approval.

### **MINIMUM LIMITS**

COVERAGE A - ML-5 Form (Mandatory)	\$250,000
COVERAGE L	\$300,000
COVERAGE M	\$1,000

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

**Eligibility:** **one- or two-family** owner-occupied dwellings. **Dwellings in course of construction** are not eligible unless they will be completed and occupied as a primary home within 30 days. (See the Standard HOMEOWNERS Program if the Dwelling will be completed within six months or the DWELLING FIRE Program if completion will be more than six months). **Dwelling Age:** 40 years or less or complete plumbing, electrical and heating system updates within last 40 years. **Roofs** must be 25 years old or less. **Coverage A** must be insured to at least 90% replacement cost and **replacement cost estimator** is required with the application. Coverage and pricing are targeted to the **above average dwelling** with regard to



housekeeping, maintenance, upkeep and prior loss experience. Policyholders are expected to comply with hazard reducing loss control recommendations. No claims within the past five years.

**Not eligible:** Dwellings with flat roofs; attached dwellings; seasonal or secondary homes; townhouses; mobile homes; homes located in **Zones 2-7**; homes built on open pier foundations; homes with boat access only; builder's risk to be sold upon completion.

**ML-5 Form:** This is the only form available with the ULTRA Security Homeowners Policy. Note: This form includes Replacement Cost on Personal Property (Coverage C). Both buildings and contents are covered by Special Form perils. If risk conditions change and coverage is available with another perils form, coverage must be cancelled and rewritten in the **Standard Homeowners Program** (system restrictions do not allow endorsement to another form).

**ML-23 Additional Household Member Coverage:** This form provides personal property and comprehensive personal liability coverage to an additional household member who is not on the deed or not married or related to the named insured.

**ML-24A Residence Special Loss Settlement Endorsement** (similar to the industry's "Guaranteed Replacement Cost" with a 125% limitation) Roof, plumbing, heating and electrical systems need to have been fully updated within the last 20 years. Coverage A must be written at 100% replacement cost. Not eligible: homes that contain lead or asbestos.

**ML-29 Assisted Living Care Facility Resident Coverage** extends personal property (10%) and personal liability coverage to someone who does not live with the insured but who is related to the insured by blood, marriage or adoption, and who regularly resides in an assisted living care facility located in New York State. The name of the individual and the name of the facility are listed on the form.

**ML-64H Higher Limits on Certain Property:** Provides higher sub-limits of personal property, contact the underwriting department for maximum limits available.

**ML-59 Lead Exclusion** will be added to all multi-family homes, vacant, unoccupied or homes that are under renovation, and to homes that have any rental exposure.

**ML-70 Additional Residence Rented to Others:** This form is no longer offered unless the rented dwelling is on or next to the described location.

**ML-72 Added Water Damage Coverage** Allows the purchase of additional Water Backup coverage in excess of the SMIC-ML-150B (\$2,500) up to **\$20,000**. Premium charge is only for the limit in excess of \$2,500. Total limit including the \$2,500 from the SMIC-ML-150B is listed on the form.

**SMIC-ML-150B Homeowner's Plus Coverage:** Automatically included at no additional charge and includes: Higher sub-limits on Certain Property, Additional Personal Liability

\$100,000, Additional Medical Payments to Others \$1,000, Damage to Property of Others, Ordinance and Law \$20,000, Personal Injury Coverage, Refrigerated Food Products \$500, and Water Back-up \$2,500.

**ML-165A Storm/Hurricane Shutters:** Enables a credit for residences with conforming shutters on all window and door openings.

**ML-166 Hurricane Resistant Glass:** Enables a credit for dwellings with approved Hurricane Resistant Glass throughout the entire dwelling.

**ML-189 Identity Fraud** Mandatory on all New and Renewal business. Not available on Secondary Homeowners.

**Inflation Guard Coverage:** automatically included.

**ML-346A Mechanical, Electrical or Pressure System Breakdown:** Mandatory on all new and renewal business.

**ML-373H Hurricane Deductible:** Mandatory and only available in Kings, Nassau, Queens, Richmond and Suffolk Counties. A \$1,000 deductible applies for all Category 1 Hurricanes (determined by the Safir/Simpson Hurricane Scale). The hurricane deductible for all Category 2 and higher storms is determined by a percentage of the Coverage A limit (see rating manual). There is no change in our Coastal Underwriting Guidelines.

**ML-375 Siding or Roofing Matching Coverage** enhances coverage (up to 10% of Coverage A) in the event the materials at the time of a covered loss are no longer available. Dwelling must be 25 years old or newer at time of this coverage attachment; not available on t-lock shingle roofs or faded siding.

**ML-430 Renewal Endorsement:** Enables continuous renewal by Certificate rather than with a complete set of forms at each renewal.

**Actual Cash Value – Residence Coverage A:** not available. Replacement cost coverage is mandatory. If ACV is desired, refer to our **Standard Homeowners Program**.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Bed and Breakfasts - Owner occupied** are eligible for coverage in this program with up to four rooms by adding the **ML-42** Form. The number of rental rooms must be stated on the application. For three and four rooms, add the ML-70.

**Boats** can be added (**MR-51 Physical Damage, ML-75 Liability**) to a Homeowner Policy with a 25% discount. Watercraft with inboard, inboard/outboard or outboard motors less than 50 HP and sailboats less than 26 feet are automatically covered under Coverage L and M. Sailboats,

Inboard-outboard and Outboard engines only are permitted for Physical Damage (**MR-51**). Inboard motorboats are not eligible for Physical Damage coverage.

**Required information: Boat with outboard motor:** year, make, model, serial number, length, value of the boat; year, make, model, serial number, horsepower, value of the motor.

**Inboard/Outboard boat:** year, make, model, serial number, length, horsepower, value, maximum speed, navigation period.

**Inboard Boat:** description of boat, speed, length, maximum speed, navigation period.

Maximum Horsepower: 260 **Canoes, paddle boats, kayaks, row boats** available for use by tenants require a separate commercial fire policy (boats, no motor, for hire). Signed waiver, including statement that crafts are not available for rent by the public and are for the sole use by tenants with permission, is required.

**Condominiums** are not eligible for coverage in this program. Refer to our **Standard Homeowners Program**.

**Corporal Punishment** coverage part under Business Pursuits coverage is not available as it is prohibited by statute.

**Coverage A minimum** limit is 90% RCV.

**Day Care** coverage may be written for childcare or babysitting under the **ML-42** when there are no more than three children total. Named insureds' children count if under school age.

**Earthquake Coverage (ML-54)** requires prior Underwriting approval.

**Farm properties** are not eligible for coverage unless the farm a "GENTLEMEN'S FARM" for personal use only. Farm outbuildings could be referred to **Custom Program**.

**Farmers CPL (ML-10)** allowed for INCIDENTAL FARMING, i.e., personal consumption, cutting hay or renting out property, ONLY.

**New Home Discounts** of 5-10% are available – see Rating Manual.

**Non-smoking Credit of 10%** is available. Insured must warrant that all residents of the household have been non-smokers for at least one year. If a smoker becomes a permanent resident, company must be notified within 30 days and loss of credit will result until such time that smoker moves or meets the one year non-smoking requirement. The credit is also available on two family owner-occupied homes only if the owner can warrant that all residents are non-smokers.

**Private structures rented to others on premises (ML-40)** maximum limit is less than Coverage A. If higher limits are needed, a Landlord Package policy should be written. Private Structures occupied by a family member (even if no rental income is collected) are considered rented to others as there is a separate household. If furnished for vacation rentals, use the **ML-42** form.

**Renewal conversions** are treated as new business – a new application with updated underwriting information is required.

**Renewal Credit of 5%** is offered automatically. after the first renewal. It is also available when an existing policyholder purchases a new home.

**Retail occupancies/operations** are not allowed under incidental business coverage (ML-42) unless operated for less than 20 hours per week. Prior underwriting approval of such risks is required.

**Satellite Dish coverage (ML-49):** Only the cost of the outside components should be insured on this form, as the inside receiver is covered under personal property.

**Students – Full Time** away from home are covered under the policy for up to 10% of Coverage C, or \$2,500 whichever is greater, and for liability

**Superior Home Credit** – 10% credit – Requirements: 40 years or newer with a 25-year-old roof, or full updates in last 20 years; agency must request the credit. Year of construction and specific update information on roof, electrical, plumbing and heating systems required. Available on homes located in Zone 1 only.

**Swimming Pools** – inground pools require a perimeter fence with gate that locks, above ground pools require locking ladder or locking gate if there is a deck. **Pools and the rental of residence charge:** We would prefer to avoid rentals on homes, primary or secondary, with pools altogether, however, we will consider exceptions with underwriting approval. To consider a home for an exception, we would like the pool surrounded by a perimeter fence with a locking gate to prevent access to the pool when it is not in use and a Hold Harmless agreement clearly stating that the short-term tenants are using the pool at their own risk. If there is direct access from the home to the pool area, there needs to be a door alarm and/or floating alarm to alert tenants of someone being in the pool area.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

**Trampolines:** will be excluded, signed ML-52 Trampoline Exclusion required. To request the removal of the exclusion, submit a signed Request to Remove the ML-52 Trampoline Exclusion with a completed Trampoline Questionnaire.

**Vacation Rentals** (Airbnb, Inc. Vrbo®): rental of residence surcharge for up to three months is available when the whole home is made available to short term tenants. For rentals of the whole home, greater than three months, use a Landlord Package with a seasonal charge for year-round vacation rentals or a seasonal Dwelling Fire policy for homes that are closed up for the winter. Use the **ML-42** if up to four rooms in the home or another structure on the premises is available for short-term rentals. Add ML-70 for 3 and 4 rooms.

## **INLAND MARINE**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

See Individual Class for Limit authority. **Coverage may be written unsupported in unique circumstances** – please check Underwriting for prior approval.

Submit photos of all property, front and back.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **MINIMUM PREMIUMS**

Policy	\$25
Endorsed Coverage part	\$13

### **UNDERWRITING GUIDELINES AND INFORMATION BY CLASS**

#### **BOATS**

Maximum **Limit**: \$25,000

Maximum **Horsepower**: 260

Minimum **Deductible**: \$100

**Inboard-outboard, outboards sailboats and non-power boats are eligible** for coverage under this program.

**Inboard Boats are not eligible** for coverage.

Fishing, waterskiing and other **non-attached equipment** cannot be added to the policy. Note: Such items are covered by the Homeowners policy.

**Required information**: Make, Model, Serial Number, Horsepower, Length, Year, Maximum Rated Speed

Coverage for **trailers and miscellaneous water safety gear** may be added to the policy.

#### **CAMERAS**

Maximum **Limit**: \$15,000 per item; \$40,000 per schedule

Minimum **Deductible**: \$100

**Smart phones** are not eligible for coverage.

**Required information**: Make, model, serial number, bill of sale

**Homeowners' coverage must be written with Security Mutual** (except for Professional Equipment)

## **COMPUTER EQUIPMENT**

Maximum **Limit**: \$15,000

Minimum **Deductible**: \$100

**Personal and Business** use computers and tablets may be covered.

**Software** – Coverage only applies to “Off the Shelf” software.

**Required information**: Make, model and serial number for each piece of equipment.

**Homeowners’ coverage must be written with Security Mutual.** This coverage is available by endorsement only, i.e. stand-alone policies are not available.

## **CONTRACTORS EQUIPMENT**

Maximum **Limit**: \$75,000

Minimum **Deductible**: \$100

**Required information**: Make, Model, Serial Number and Year

## **FINE ARTS**

Maximum **Limits**: \$20,000 per item; \$100,000 per schedule

Minimum **Deductible**: None

**Blanket** coverage is not available; must be scheduled.

**Breakage coverage** requires photos and prior approval.

**Required Information**: Recent appraisal or bill of sale.

**Not eligible**: Antique Furniture; Oriental Rugs (unless wall-hanging)

**Homeowners’ coverage must be written with Security Mutual.**

## **FURS**

Maximum **Limits**: \$15,000 per item; \$40,000 per schedule

Minimum **Deductible**: None

**Blanket** coverage is not available; must be scheduled.

Must be **insured to value**.

**Homeowners’ coverage must be written with Security Mutual**

**Required Information**: Recent appraisal or bill of sale.

## **GOLF CARTS**

Maximum **Limit**: \$7,000

Minimum **Deductible**: \$100

**Homeowners’ coverage must be written with Security Mutual.** However, coverage is written on a separate policy.

**Required information**: Make, Model, Serial Number and Year

## **GUNS**

Maximum **Limits**: \$5,000 per item; \$100,000 per schedule

Minimum **Deductible**: None

**Blanket** coverage is not available; must be scheduled.

**Schedules** must list make, model, serial number, caliber and value of each gun.

Must be **insured to value**.

**Homeowners' coverage must be written with Security Mutual.**

## **HEARING AIDS**

Maximum **Limits**: \$4,000 each for a total of \$8,000 per pair

Minimum **Deductible**: \$100

**Must be added to a primary homeowner's policy**

## **JEWELRY**

Maximum **Limits**: \$150,000 per schedule

Minimum **Deductible**: None

**Blanket** coverage is not available; must be scheduled.

Note: **Engagement rings** need to be insured by the bride-to-be, not the future husband.

Must be **Insured to Value**.

**Homeowners' coverage must be written with Security Mutual.**

**Required Information**: Recent appraisal or bill of sale; color, carat weight, cut, clarity of diamonds.

## **LIVESTOCK**

Maximum **Limit**: \$50,000

Minimum **Deductible**: None

**Blanket** coverage is not available. Coverage can be written pro rata or scheduled.

**Show and racing animals** are not eligible

## **MACHINERY**

Maximum **Limit**: \$150,000

Minimum **Deductible**: \$100

**Blanket** coverage is not available, except for a small amount of incidental tools. Contact the underwriting department if Blanket coverage is desired for prior approval.

**Required information**: Make, model, serial number and year for each piece of equipment.

## **MUSICAL INSTRUMENTS**

Maximum **Limits**: \$15,000 per item; \$40,000 per schedule

Minimum **Deductible**: None

**Blanket** coverage is not available; must be scheduled.

**Homeowners' coverage must be written with Security Mutual.**

**Not eligible for Coverage**: professional use instruments, pianos, organs, or like instruments, recording or other electrical devices; or tapes.

**Required Information**: Recent appraisal or bill of sale.

Must be **Insured to Value**.

## **PERSONAL ARTICLES**

Maximum **Limit**: \$40,000

Minimum **Deductible**: None

**Blanket** coverage is not available.

**Homeowners' coverage must be written with Security Mutual.**

Coverage for **small items** such as fishing equipment or water skis is not available. Such coverage is provided under Coverage C (Personal Property) of the Homeowners policy.

## **PHONES**

Not eligible for scheduled coverage, considered personal property

## **SILVERWARE**

Maximum **Limits**: \$15,000 per item; \$40,000 per schedule

Minimum **Deductible**: None

**Blanket** coverage is not available; must be scheduled.

**Schedules** must list individual items and number of each, not just the total amount per set.

Must be **Insured to Value**.

**Homeowners' coverage must be written with Security Mutual.**

**Required Information**: recent appraisal or bill of sale.

## **SIGNS**

Maximum **Limit**: \$10,000

Minimum **Deductible**: \$100

Coverage is **available only with supporting business**.



### **SNOWMOBILES and JET SKIS**

Maximum **Limit**: \$10,000

Minimum **Deductible**: \$100

Maximum size: 550cc

**Homeowners' coverage must be written with Security Mutual.** Coverage is endorsed onto the Homeowner policy.

### **TOOLS and EQUIPMENT**

Maximum **Limits**: \$50,000

Minimum **Deductible**: \$100

Items over \$500 are to be **scheduled**.

Coverage for individuals only

Supporting business is **not required**.

Must be written on a **stand-alone policy**; cannot be added to a Homeowners policy.

### **VALUABLE PAPERS and ACCOUNTS RECEIVABLE**

Maximum **Limit**: \$25,000 (subject to extent of supporting business)

Minimum **Deductible**: \$100

Supporting business must be written with Security Mutual.

## **LANDLORD PACKAGE POLICY – Standard Co-operative**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

Locations within the five boroughs of New York City are not eligible for coverage.

MINIMUM LIMIT\* Coverage A (Residence) \$75,000

\*Risks with limits below the minimum should be referred to a Custom Program.

### **MAXIMUM LIMITS**

Coverage A (Residence) \$750,000\*

Coverage L (Bodily Injury/Property Damage) \$1,000,000 per occurrence  
\$2,000,000 annual aggregate

Coverage M (Medical Payments) \$5,000

\* **Higher Limits are available** with prior underwriting approval.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

Coverage is available on **1-4 family rental Dwellings** and double wide mobile homes on a continuous masonry foundation. Dwellings must be occupied solely for residential purposes. **Not eligible:** single wide mobile homes; double wide mobile homes not on a continuous masonry foundation, seasonal mobile homes, student housing, incidental business/office occupancies, **premises with pool unless the tenant is related to the landlord.**

Policyholders are expected to comply with hazard reducing loss control recommendations.

**Absentee landlords:** These risks are unacceptable **unless the local property manager or caretaker lives up to an hour away; name and address are required with the application.**

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Canoes, paddle boats, kayaks, row boats** available for use by tenants require a separate commercial fire policy (boats, no motor, for hire). Signed waiver, including statement that crafts are not available for rent by the public and are for the sole use by tenants with permission, is required.

**Day Care** on premises makes the risk not eligible.

**Dwellings must be occupied** within 45 days of inception. If not occupied at inception, the broadest coverage available is the FL-1R Basic Form without VMM. A 50% vacancy or a 25% unoccupied surcharge will apply. Coverage may be upgraded, and the surcharge removed as of occupancy date. The Company reserves the right to cancel new business within the statutory window.

**No farm or business outbuildings** may be insured.

**FL-1R Basic Policy Form:** This form is the broadest coverage available for dwellings with open or pier foundations, without central heat, **vacant, unoccupied, or under renovation.**

**FL-2B Broad Form:** Maximum coverage available for: dwellings with roofs over 25 years old; homes with boat access only.

**FL-3B Special Form Coverage Eligibility:** Only available on tenant-occupied dwellings with a roof that is 25 years old or less. Not eligible: Dwellings with flat roofs and attached to other structures, dwellings located in zone 2.

**FL-33 Functional Replacement Cost Provision:** To be used when the applicant is planning to rebuild the home with different square footage or features resulting in a lower replacement cost than if the home is rebuilt with current square footage and features. A replacement cost estimator with desired square footage and features is required when this form is attached to the policy.

**FL-124 Roof Surface Actual Cash Value Loss Settlement:** Roof must be at least ten years old or have existing damage from either weather conditions or trees.

**FL-360 Ordinance Or Law:** Roof, plumbing, heating and electrical systems need to have been fully updated within the last 20 years. Coverage A must be written at 100% of the estimated replacement cost. Not eligible with FL-1R Basic Form Coverage, short-term rentals, or with homes that contain lead or asbestos. Not available with FL-33 or FL-124.

**FL-375 Siding And Roofing Matching:** enhances coverage (up to 10% of Coverage A) in the event the materials at the time of a covered loss are no longer available. Dwelling must be 25 years old or newer at time of this coverage attachment; not available on t-lock shingle roofs or faded siding.

**ML-16 Comparable Value Endorsement:** For well-kept homes, in good condition, and the insureds choose to insure the home for less than 80% but at least 50% of the estimated replacement cost on an actual cash value basis. This form, at no additional cost, eliminates the co-insurance penalty on partial losses.

**Occupancy:** one of two, two of three, three of four, units need to be occupied to avoid a vacant or unoccupied/seasonal charge.

**Responsible Landlord Credit** is afforded when the lease agreement contains a provision requiring tenants to maintain a tenant homeowner's policy which includes liability coverage.

**Short-term Vacation Rentals** are eligible as long as the dwelling is open year-round. However, if they are closed over the wintertime, they may be written under our **Dwelling Fire Program** subject to prior underwriting approval. For FL-2B or FL-3B, the insured agrees to winterize/drain the water supply system, and turn off water, OR install a 24-hour low temperature monitoring system, with scheduled automatic fuel delivery, and year-round accessibility, AND install an automatic water shut-off device.

**"SINCE" Rating Plan:** Full renovation updates, within the last 20 years, to the plumbing, heating and electrical systems as well as the roof are needed to access our SINCE rating plan for buildings built prior to 1960.

**SMIC-FL-105 Landlord Package Special Form;** requires year-round occupancy, minimum Coverage A limit of \$150,000, replacement cost coverage on dwelling, on all forms of coverage if home qualifies for "SINCE" Rating Plan. **Not available with FL-33 and FL-124.**

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the FL-1R Basic Form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed.

**Student Rentals:** Not acceptable. Refer to **Custom Program**.

**Swimming Pools:** Refer to **General Information - All Lines of Business, page 6**. Rental properties with any kind of pool are not acceptable unless the tenant is related to the landlord; proof of tenant homeowners coverage required with application.

**T-lock shingle roofs** are acceptable with a \$1,000 deductible, FL-3 Special Form if the roof is 25 years old or newer.

**Trampolines:** FL-52A Trampoline Exclusion is a mandatory form

**VMM:** not available on homes that are vacant, unoccupied, or under renovation.

**Zone 2:** is a function of the responding Fire Department, not necessarily the location address. The broadest coverage available is the FL-2B Broad Form on an Actual Cash Value basis with a \$500 minimum deductible. There can be no losses in the last five years, and there must be at least 12 feet of separation between dwellings. Risks that have been in the NY Fair Plan, cancelled or non-renewed are not eligible.

## **LANDLORD PACKAGE POLICY – Custom Co-operative**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Homes located within the five boroughs of New York City are not eligible for coverage.

**MINIMUM LIMIT\*** Coverage A (Residence) \$20,000

### **MAXIMUM LIMITS**

Coverage A (Residence) \$300,000\*  
Coverage L (Bodily Injury/Property Damage) \$500,000 per occurrence  
\$1,000,000 annual aggregate  
Coverage M (Medical Payments) \$ 5,000

\* **Higher Limits are available** with prior underwriting approval.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

Coverage is available on **1-4 family rental Dwellings** and double wide mobile homes on a continuous masonry foundation. Dwellings must be occupied solely for residential purposes. **Not eligible:** single wide mobile homes; double wide mobile homes not on a continuous masonry foundation, seasonal mobile homes, incidental business/office occupancies.

Policyholders are expected to comply with hazard reducing loss control recommendations.

**Absentee landlords:** These risks are unacceptable unless the local property manager or caretaker lives up to an hour away; name and address are required with the application.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Canoes, paddle boats, kayaks, row boats** available for use by tenants require a separate commercial fire policy (boats, no motor, for hire). Signed waiver, including statement that crafts are not available for rent by the public and are for the sole use by tenants with permission, is required.

**Day Care** on premises makes the risk not eligible.

**No farm or business outbuildings** may be insured.

**FL-1R Basic Policy Form:** This form is the broadest coverage available for dwellings with open or pier foundations, without central heat, vacant, unoccupied, or under renovation.

**FL-2B Broad Form:** Maximum coverage available for: dwellings with roofs over 25 years old; homes with boat access only.

**FL-3B Special Form Coverage Eligibility:** Only available on tenant-occupied dwellings with a roof that is 25 years old or less. Not eligible: Dwellings with flat roofs and attached to other structures, dwellings located in zone 2.

**FL-33 Functional Replacement Cost Provision:** To be used when the applicant is planning to rebuild the home with different square footage or features resulting in a lower replacement cost than if the home is rebuilt with current square footage and features. A replacement cost estimator with desired square footage and features is required when this form is attached to the policy.

**FL-124 Roof Surface Actual Cash Value Loss Settlement:** Roof must be at least ten years old or have existing damage from either weather conditions or trees.

**FL-360 Ordinance or Law:** Roof, plumbing, heating and electrical systems need to have been fully updated within the last 20 years. Coverage A must be written at 100% of the estimated replacement cost. Not eligible with FL-1R Basic Form Coverage, short-term rentals, or with homes that contain lead or asbestos. Not available with FL-33 or FL-124.

**FL-375 Siding and Roofing Matching:** enhances coverage (up to 10% of Coverage A) in the event the materials at the time of a covered loss are no longer available. Dwelling must be 25 years old or newer at time of this coverage attachment; not available on t-lock shingle roofs or faded siding.

**ML-16 Comparable Value Endorsement:** For well-kept homes, in good condition, and the insureds choose to insure the home for less than 80% but at least 50% of the estimated replacement cost on an actual cash value basis. This form, at no additional cost, eliminates the co-insurance penalty on partial losses.

**Occupancy:** one of two, two of three, three of four, units need to be occupied to avoid a vacant or unoccupied/seasonal charge.

**Responsible Landlord Credit** is afforded when the lease agreement contains a provision requiring tenants to maintain a tenant homeowner's policy which includes liability coverage.

**Short-term Vacation Rentals** are eligible as long as the dwelling is open year-round. However, if they are closed up over the wintertime, they may be written under our **Dwelling Fire Program** subject to prior underwriting approval. For FL-2B or FL-3B, the insured agrees to winterize/drain the water supply system, and turn off water, OR install a 24-hour low temperature monitoring system, with scheduled automatic fuel delivery, and year-round accessibility, AND install an automatic water shut-off device.

**“SINCE” Rating Plan:** Full renovation updates, within the last 20 years, to the plumbing, heating and electrical systems as well as the roof are needed to access our SINCE rating plan for buildings built prior to 1960.

**SMIC-FL-105 Landlord Package Special Form;** requires year-round occupancy, minimum Coverage A limit of \$150,000, replacement cost coverage on dwelling, on all forms of coverage if home qualifies for “SINCE” Rating Plan. Not available with FL-33 or FL-124.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the FL-1R Basic Form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed.

**Student Housing** is available: 1-4 family dwellings apply. Broadest coverage available is the FL-2B Form with a \$500 minimum deductible. Maximum of 3 students per unit. Requires completion of our Student Housing Supplemental app. ACV for all properties older than 1940. Rooming or boarding houses may be considered for a Commercial Fire program.

**Swimming Pools:** Refer to General Information - All Lines of Business; page 6. No diving boards or slides are allowed. Not eligible for short-term rentals.

**T-lock shingle roofs** are acceptable with a \$1,000 deductible, FL-3 Special Form if the roof is 25 years old or newer.

**Trampolines:** We will apply FL-52A exclusion to any policy with a known trampoline exposure.

**VMM:** not available on homes that are vacant, unoccupied, or under renovation.

**Vacant dwellings are allowed.** If not occupied at inception, the broadest coverage available is the FL-1R Basic Form without Vandalism. A 50% vacancy charge for completely vacant locations or a 25% unoccupied charge for partially occupied premises (1-4 family). Properties actively under renovation require prior underwriting approval. Coverage may be upgraded and the surcharge removed as of occupancy date.

**Zone 2** is a function of the responding Fire Department, not necessarily the location address. The broadest coverage available is the **FL-2B Broad Form on an Actual Cash Value Basis** with a \$1,000 minimum deductible No frame row houses. No wood burning stoves or space heaters. Losses in the last three years, dogs on premises, or risks that have been in the NY Fair Plan or any Excess or Surplus Lines carrier require prior underwriting approval.

## **LANDLORD PACKAGE POLICY – Custom Mutual – NYC only**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

### **BINDING AUTHORITY**

**MINIMUM LIMIT\*** Coverage A (Residence) \$75,000

### **MAXIMUM LIMITS**

Coverage A (Residence) \$750,000\*  
Coverage L (Bodily Injury/Property Damage) \$500,000 per occurrence  
\$1,000,000 annual aggregate  
Coverage M (Medical Payments) \$ 5,000

\* **Higher Limits are available** with prior underwriting approval.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

Coverage is available on **1-4 family rental Dwellings** and double wide mobile homes on a continuous masonry foundation, **located within the five boroughs of New York City**. Dwellings must be occupied solely for residential purposes. **Not eligible:** single wide mobile homes; double wide mobile homes not on a continuous masonry foundation, seasonal mobile homes, student housing, incidental business/office occupancies, premises with pool unless the tenant is related to the landlord.

Policyholders are expected to comply with hazard reducing loss control recommendations.

Dwellings must be in **average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**Absentee landlords:** These risks are unacceptable unless the local property manager or caretaker lives up to an hour away; name and address are required with the application.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**A signed and completed anti - arson application** must accompany the application where required by statute (Regulation 96).



**Canoes, paddle boats, kayaks, row boats** available for use by tenants require a separate commercial fire policy (boats, no motor, for hire). Signed waiver, including statement that crafts are not available for rent by the public and are for the sole use by tenants with permission, is required.

**Day Care** on premises makes the risk not eligible.

**Dwellings must be occupied** within 45 days of inception. If not occupied at inception, the broadest coverage available is the FL-1R Basic Form without VMM. A 50% vacancy or a 25% unoccupied surcharge will apply. Coverage may be upgraded, and the surcharge removed as of occupancy date. The Company reserves the right to cancel new business within the statutory window.

**No farm or business outbuildings** may be insured.

**FL-1R Basic Policy Form:** This form is the broadest coverage available for dwellings with open or pier foundations, without central heat, vacant, unoccupied, or under renovation.

**FL-2B Broad Form:** Maximum coverage available for: dwellings with roofs over 25 years old; homes with boat access only.

**FL-3B Special Form Coverage Eligibility:** Only available on tenant-occupied dwellings with a roof that is 25 years old or less. Not eligible: Dwellings with flat roofs and attached to other structures.

**FL-33 Functional Replacement Cost Provision:** To be used when the applicant is planning to rebuild the home with different square footage or features resulting in a lower replacement cost than if the home is rebuilt with current square footage and features. A replacement cost estimator with desired square footage and features is required when this form is attached to the policy.

**FL-124 Roof Surface Actual Cash Value Loss Settlement:** Roof must be at least ten years old or have existing damage from either weather conditions or trees.

**FL-360 Ordinance Or Law:** Roof, plumbing, heating and electrical systems need to have been fully updated within the last 20 years. Coverage A must be written at 100% of the estimated replacement cost. Not eligible with FL-1R Basic Form Coverage, short-term rentals, or with homes that contain lead or asbestos. Not available with FL-33 or FL-124.

**FL-375 Siding And Roofing Matching:** enhances coverage (up to 10% of Coverage A) in the event the materials at the time of a covered loss are no longer available. Dwelling must be 25 years old or newer at time of this coverage attachment; not available on t-lock shingle roofs or faded siding.

**ML-16 Comparable Value Endorsement:** For well-kept homes, in good condition, and the insureds choose to insure the home for less than 80% but at least 50% of the estimated

replacement cost on an actual cash value basis. This form, at no additional cost, eliminates the co-insurance penalty on partial losses.

**Occupancy:** one of two, two of three, three of four, units need to be occupied to avoid a vacant or unoccupied/seasonal charge.

**Responsible Landlord Credit** is afforded when the lease agreement contains a provision requiring tenants to maintain a tenant homeowner's policy which includes liability coverage.

**Short-term Vacation Rentals** are eligible as long as the dwelling is open year-round. However, if they are closed up over the wintertime, they may be written under our **Dwelling Fire Program** subject to prior underwriting approval. For FL-2B or FL-3B, the insured agrees to winterize/drain the water supply system, and turn off water, OR install a 24-hour low temperature monitoring system, with scheduled automatic fuel delivery, and year-round accessibility, AND install an automatic water shut-off device.

**"SINCE" Rating Plan:** Full renovation updates, within the last 20 years, to the plumbing, heating and electrical systems as well as the roof are needed to access our SINCE rating plan for buildings built prior to 1960.

**SMIC-FL-105 Landlord Package Special Form;** requires year-round occupancy, minimum Coverage A limit of \$150,000, replacement cost coverage on dwelling, on all forms of coverage if home qualifies for "SINCE" Rating Plan. Not available with FL-33 or FL-124.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the FL-1R Basic Form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed.

**Student Rentals:** Not acceptable.

**Swimming Pools:** Refer to General Information - All Lines of Business, page 6. Rental properties with any kind of pool are not acceptable unless the tenant is related to the landlord; proof of tenant homeowners coverage required with application.

**T-lock shingle roofs** are acceptable with a \$1,000 deductible, FL-3 Special Form if the roof is 25 years old or newer.

**Trampolines:** We will apply FL-52A exclusion to any policy with a known trampoline exposure.

**VMM:** not available on homes that are vacant, unoccupied, or under renovation.

## **MANUFACTURED/MOBILE HOMEOWNERS - Standard**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

### **MAXIMUM LIMITS**

COVERAGE A (Residence)	\$ 75,000*
COVERAGE C (Personal Property)	Coverage A Limit
COVERAGE L (Bodily Injury/Property Damage)	\$500,000 CSL
COVERAGE M – (Medical Payments)	\$ 2,000

### **SCHEDULED PERSONAL PROPERTY**

Per Schedule	\$ 40,000
Per Item – Jewelry, Furs, Cameras, Musical Instruments, Silverware etc., Golfer's Equipment, Fine Arts, Postage Stamps, Coins	\$ 15,000

See the INLAND MARINE SECTION for higher limits.

PRIVATE STRUCTURES (RENTED) ON PREMISES	\$ 25,000
WATERCRAFT – Per Schedule	\$ 25,000

\* **Higher Limits are available** with prior underwriting approval.  
(Coverage A up to \$175,000)

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

**Maximum age:** 12 years on new business. Older mobile homes may be written with permission from our underwriting department.

Program is not available on Long Island.

Homes must be in **average to above condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**Inflation Guard:** Not available

**ML-374 Replacement Cost Provision:** Not available.

**Actual Cash Value** is the maximum available. Replacement Cost Coverage A is not available.

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Boats** can be added (**MR-51 Physical Damage, ML-75 Liability**) to a Homeowner Policy with a 25% discount. Watercraft with inboard, inboard/outboard or outboard motors less than 50 HP and sailboats less than 26 feet are automatically covered under Coverage L and M. Sailboats, Inboard-outboard and Outboard engines only are permitted for Physical Damage (**MR-51**). Inboard motorboats are not eligible for Physical Damage coverage.

**Required information:**

**Boat with outboard motor:** year, make, model, serial number, length, value of the boat; year, make, model, serial number, horsepower, value of the motor.

**Inboard/Outboard boat:** year, make, model, serial number, length, horsepower, value, maximum speed, navigation period.

**Inboard Boat:** description of boat, speed, length, maximum speed, navigation period.  
Maximum Horsepower: 260

**Day Care** coverage may be written for childcare or babysitting under the **ML-42** when there are no more than three children total. Named insureds' children count if under school age.

**Dead Bolt Locks:** \$2 credit available (**ML-167**)

**Double wide mobile homes**, not on a continuous masonry foundation must be written on a mobile homeowner policy. (Continuous masonry foundation shall mean an uninterrupted wall of masonry – cinder or cement block – extending from below grade level up to the building and enclosing the base of the mobile home). Double wide mobile homes situated on continuous masonry foundations may be considered for our Standard Homeowners Program or Landlord Package Program if rented to others year-round.

**Farm or business outbuildings** are not eligible for coverage.

**Seasonal mobile homes** are not eligible for coverage in this program. However, they may be written in our **Custom program** subject to prior underwriting approval.

**Private Structures Away from Premises:** Coverage available on **ML-89** form.

**Sloped Roof Credit** of 5% is available.

**Swimming Pools** – inground pools require a perimeter fence with gate that locks, above ground pools require locking ladder or locking gate if there is a deck.

**Tenant ML-4 coverage:** Not available in Mobile Homeowner Program. However, coverage may be available in our Dwelling Fire Program.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the ML-1 form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

**ML-52A trampoline exclusion added to all policies**

## **MANUFACTURED/MOBILE HOMEOWNERS - Custom**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

#### **MAXIMUM LIMITS**

COVERAGE A (Residence)	\$ 50,000*
COVERAGE A (MINIMUM)	\$ 8,000
COVERAGE C (Personal Property)	Coverage A Limit
COVERAGE L (Bodily Injury/Property Damage)	\$300,000 CSL
COVERAGE M – (Medical Payments)	\$ 2,000

#### **SCHEDULED PERSONAL PROPERTY**

Per Schedule	\$ 20,000*
<b>Per Item</b> – Jewelry, Furs, Cameras, Musical Instruments, Silverware etc., Golfer's Equipment, Fine Arts, Postage Stamps, Coins	\$ 15,000*

\*See the INLAND MARINE SECTION for higher limits.

PRIVATE STRUCTURES (RENTED) ON PREMISES	\$ 25,000
WATERCRAFT – Per Schedule	\$ 25,000

\* **Higher Limits are available** with prior underwriting approval.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES and INFORMATION**

Mobile homes older than 25 years eligible **for ML-1 or ML-8 only**. Mobile homes with peaked roof in above average condition 25 years or newer may be eligible for ML-2B or ML-3B coverage.

**Program is not available on Long Island.**

Homes must be in **average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**Inflation Guard:** Not available

**Replacement Cost:** Coverage A is not available

**ML-55 Replacement Cost Coverage on Contents:** not available

**Animals owned by tenants or owner-occupants** showing vicious propensities or aggressive behavior shall be cause for exclusion, coverage cancellation or nonrenewal due to the obvious injury hazard.

**Boats** can be added (**MR-51 Physical Damage, ML-75 Liability**) to a Mobile Home Policy. Watercraft with inboard, inboard/outboard or outboard motors less than 50 HP and sailboats less than 26 feet are automatically covered under Coverage L and M. Sailboats, Inboard-outboard and Outboard engines only are permitted for Physical Damage (**MR-51**). Inboard motorboats are not eligible for Physical Damage coverage.

**Required information:**

**Boat with outboard motor:** year, make, model, serial number, length, value of the boat; year, make, model, serial number, horsepower, value of the motor.

**Inboard/Outboard boat:** year, make, model, serial number, length, horsepower, value, maximum speed, navigation period.

**Inboard Boat:** description of boat, speed, length, maximum speed, navigation period.  
Maximum Horsepower: 260

**Farm or business outbuildings** are not eligible for coverage.

**Seasonal mobile homes** are only eligible for forms ML-1 or ML-8.

**Private Structures Away from Premises:** Coverage available on **ML-89** form.

**Swimming Pools** – inground pools require a perimeter fence with gate that locks, above ground pools require locking ladder or locking gate if there is a deck.

**Slides or diving boards cannot be bound** (refer to Underwriting for approval).

**Tenant ML-4 coverage** is available for renters. Coverage C minimum limit is \$2000.

Only **Solid Fuel Burners** (SFB) that have been professionally and properly installed and properly maintained are permitted. Completion of our SFB Questionnaire is required. Dwellings where the SFB is the only source of heat, and there is no permanent back-up, qualify for the ML-1 form only. SFBs used in garages are not acceptable. **Outdoor Wood Boilers** must be professionally installed; completion of our Outdoor Wood Boiler Questionnaire is required.

# **PERSONAL UMBRELLA**

## **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

There is no binding authority. Policies will be issued effective the date that all required information has been reviewed by the umbrella processor.

To be eligible for a Personal Umbrella, the insured must have:

1. A Primary Homeowners policy written by a Security Mutual Insurance Company with a Liability section, or
2. A policy that includes Comprehensive Personal Liability coverage written by a Security Mutual Insurance Company

## **LIMITS**

\$1,000,000, \$2,000,000, \$3,000,000 available.

## **UNDERWRITING GUIDELINES**

### **INELIGIBLE EXPOSURES**

- A. Politicians (not including town assemblymen, city council members, or Selectmen for towns < 10,000)
- B. Public Lecturers
- C. Radio and TV Broadcasters and Telecasters
- D. Newspaper or Magazine Reporters, Editors or Publishers
- E. Labor Leaders
- F. Prominent Figures – Actors, Actresses, Professional Athletes, or others who are in the public limelight
- G. Persons who represent a moral hazard or anyone who has been sued for libel or slander
- H. Automobile drivers with more than two moving violations or at-fault accidents in a three-year period or any convictions for reckless driving or driving while intoxicated within the last 10 years or as limited by state law.
- I. Law Enforcement Officials (not including judges, bailiffs, correction officers, probation officers, fire personnel, or state/town inspectors)
- J. Home Day Care exposures involving more than three children, or as prescribed by state law
- K. Bed and Breakfast exposures unless the following conditions have been met:
  1. Each risk shall be inspected by the company
  2. Each room shall contain a Smoke Detector
  3. Liquor Law Liability is to be excluded



- 4. With no more than four rooms held for rental
- L. 1-2 passenger designed jet skis exceeding 100 horsepower/ 900 cc, or  
3-4 passenger designed jet skis exceeding 120 horsepower/ or 1000 cc
- M. Risks with unfenced in-ground pools or above ground pools (including temporary inflatable) without a removable ladder or deck with gate. **Any Pool with slide (All in force Umbrella Policies effective prior to 12/31/06 with slide are exempt from this restriction and are subject to additional charge.)**
- N. Any risk in which the underlying policy contains restrictive endorsements or exclusions, such as animal liability, that would cause the umbrella policy to drop down to provide primary coverage
- O. Any assigned risk government sponsored or nonstandard auto risk
- P. Trampolines unacceptable unless all these requirements are met:
  - 1. fully netted on all sides
  - 2. in a fenced yard with a locking gate to prevent access when not in use
  - 3. tied down
  - 4. over a soft surface rather than a concrete base
- Q. Skateboard Ramps

**MINIMUM REQUIRED UNDERLYING LIMITS**

- |    |   |   |
|----|---|---|
| A. | Personal Liability – Comprehensive Personal Liability or Liability Section of a Homeowner Policy        | \$300,000 each occurrence   |
| B. | Automobile Liability  |   |
|    | 1. With youthful drivers present (age 25 or under) with one moving violation within a three-year period | \$500,000/\$500,000 BI<br>\$100,000 Property Damage<br>or<br>\$500,000 Combined Single Limit  |
|    | 2. All other  | \$300,000/\$300,000 BI<br>\$100,000 Property Damage<br>or<br>\$250,000/\$500,000 BI<br>\$100,000 Property Damage<br>or<br>\$300,000 Combined Single Limit |
| C. | Non-Licensed Recreational Vehicles (Off Premises Liability)   | \$300,000 each occurrence<br>or<br>\$250,000/\$500,000 BI<br>\$100,000 Property Damage  |
| D. | Watercraft Liability  | \$300,000 each occurrence<br>or   |

Note – No Personal Umbrella Coverage is available For any watercraft greater than 50 feet in length or any watercraft requiring a crew, except sailboats that otherwise qualify. \$250,000/\$500,000 BI  
\$100,000 Property Damage

E. Business Pursuits \$300,000 each occurrence  
Those added to CPL or Homeowners by ML-71  
Or other filed endorsement. This includes  
Home Day Care and Bed and Breakfast exposures

F. "INCIDENTAL" Business Property \$300,000 each occurrence

Note – not intended to cover more than 5 personally owned rental dwellings.

All primary liability coverage except those that we do not write must be with Security Mutual.  
All underlying carriers must have a Best B+ or better rating.

### **ADDITIONAL PROGRAM RULES**

**Additional insured's:** not eligible for coverage.

All household **Drivers** must be a resident of New York and have a N.Y.S. driver license.

**Home day care** exposures subject to a maximum of three children total. Insureds' children count if younger than school age.

**Custom business:** umbrella coverage is not available over **Custom** underlying policies

**Underlying coverage:** Primary homeowners' policy is required in addition to all underlying policies that we are willing to write and that fit in with our underwriting guidelines.

## **SPECIAL MULTI-PERIL - Standard**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

Risks **declined, cancelled or nonrenewed** by Security Mutual Insurance Company or by other carriers, for any reason, require **prior approval from the underwriting department**.

### **MAXIMUM LIMITS**

COVERAGE A (Building)	
Fire Resistive	\$750,000*
Masonry	\$750,000*
Frame	\$750,000*
COVERAGE B (Business Personal Property)	
(No Building Coverage)	\$250,000* (With
Building Coverage)	50% of Coverage A limit*
COVERAGE L (Liability)	\$1,000,000*
LS-50 Employee Non-Owned Auto	\$500,000
LS-50A Hired and Non-owned Auto	\$500,000

\* **Higher Limits are available** with prior underwriting approval.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES AND INFORMATION**

Risks must be in **average to above average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**LS-6 Business General Liability Extra Coverage** is available.

**LS-70 Business Premises Exclusion Other Than Designated Premises** form is mandatory.

**SF-28 Agreed Amount** coverage is available.

**SF-30 Sprinkler Leakage** coverage is available.

**SF-33 Functional Replacement Cost** is available

**SF-62 Mercantile Robbery and Safe Burglary** is not available.

**SF-63 Money and Securities Broad Form** coverage is not available.  
**SF- 67 Scheduled Property** coverage requires prior underwriting approval.

**SF-68 Fine Arts** coverage requires prior underwriting approval.

**SF-76 Valuable Papers** coverage is available

**SF-130 Bailee** coverage is not available.

**SF-132 Customer Goods** coverage is not available.

**SF-398 Earthquake** coverage is not available.

**Additional Insureds** – Name, address and insurable interest are required.

**Aggregate Limits** must be included under COVERAGE L and the LS-10 Amended Limits of Liability form is to be attached.

**A signed and completed anti - arson application** must accompany the application where required by statute (Regulation 96).

**Fire Legal Liability** applies to tenants of buildings, not the owner. \$50,000 is included in the LS-6 policy form. An additional \$250,000 in coverage may be purchased for an LS-6, and up to \$300,000 may be added using the LS-48 Fire Legal Liability form when writing and LS-1 or LS-5.

**Multiple Occupancies** are rated on the basis of the most hazardous or highest rated class.

Policies are limited to **one location per policy**.

**Professional Liability:** Clergy Professional Liability and Beauty Shop Professional Liability are the only coverages available. Both require prior underwriting approval.

**Restaurant or tavern exposures:** not acceptable – Refer to **Custom Program**. Also, not acceptable as an adjacent exposure to insured operation, unless separated by approved fire walls or more than 100 feet from insured building/operation.

**Rooming or Boarding Houses** are not eligible for coverage.

**Vacant and or unoccupied** buildings are not allowed unless there is a known occupancy within 90 days. Refer to **Custom Program**.

## **ELIGIBILITY**

**Apartments** – 5 Units or more. Rooming or Boarding houses are not eligible for coverage. Rating is dependent on number of units on premises.

**Hotel/Motel:** 5 units or more including cottages on premises; non franchised only

**Office:** No Architects or computer programmers

**Institutional:** Churches (Clergy Professional Liability is available), Libraries and Museums. Schools are not eligible.

**Mercantile:** The following are some of the classes we write:

Automobile Accessory Store, No automobile repair work, tire recapping or vulcanizing performed

Bakeries, selling only (no baking) on premises

Barber and Beauty Supplies

Beverage Store, selling beer and wine

Beverage Store, selling no alcoholic beverages

Book and Magazine Store

Camera and Photographic Supply Store

Candy, Nut and Confectionery Store, with no cooking on premises

Card and Stationery Store

Carpet Store, with less than 25% of total receipts derived from installation charges

Clothing Store

Confectionery, Candy and Nut Store with No cooking on premises

Craft Store

Curtain and Drapery Store, with less than 25% of the total receipts derived from installation charges

Delicatessen – No Cooking

Department Store with more than \$500,000 annual sales

Department Store with less than \$500,000 annual sales

Drapery and Curtain Store with less than 25% of the total receipts derived from installation charges

Drug Store with NO cooking on premises

Fabric Store

Floor Covering Store incl. carpet with less than 25% of the total receipts derived from installation charges

Florist

Fraternal Organizations

Furniture Store

Game, Toy and Hobby Store

Garden and Lawn Store

General Store - Cooking permitted with Household appliances only

Gift, Novelty and Souvenir Store

Glass, Paint and Wallpaper Store

Hardware Store

Health Food Store  
 Hobby, Toy and Game Store  
 Household Appliance Store with less than 25% of total receipts derived from off premises repair/services  
 Ice Cream Store, NO cooking on premises  
 Jewelry (not Jewelers Block)  
 Kitchen Accessories Store  
 Lawn and Garden Supply Store  
 Leather Goods Store  
 Liquor Store  
 Magazine and Book Store  
 Motels – non franchised  
 Music, Tape and Record Store  
 Musical Instruments  
 Novelty, Gift and Souvenir Store  
 Nut, Candy and Confectionery Store, with NO cooking on premises  
 Office Products Store  
 Optical Goods  
 Paint, Glass and Wallpaper Store  
 Pet Store  
 Photographic and Camera Supply Store  
 Plumbing Supply  
 Radio and Television Store with less than 25% of total receipts derived from repair/service operations  
 Record, Tape and Music Store  
 Restaurant Equipment  
 Retail, NOC\*  
 Self-Storage Facilities  
 Sewing Machine Store  
 Shoe Repair Store  
 Shoe Store  
 Souvenir, Gift and Novelty Store  
 Sporting Goods Store  
 Stationery and Card Store  
 Tape, Music and Record Store  
 Television and Radio Store with less than 25% of total receipts derived from repair and service operations  
 Tobacco Store  
 Toy, Hobby and Game Store  
 Upholstery Goods Store with less than 25% of total receipts derived from work performed  
 Vacuum Cleaner Sales and Service Store  
 Variety Store  
 Wallpaper, Paint and Glass Store  
 Wholesale, NOC\*  
 \* Subject to underwriting approval of specific occupancy type.

**Processing and Service:** The following are some of our acceptable classes:

Appliance repair  
Automatic Car Wash  
Barber Shop  
Beauty Shop (Professional Liability is available)  
Clothing alteration, pressing and repair  
Clothing rental  
Clubs  
Coin Operated Laundries and dry cleaners (self-service - attended)  
Dental Labs  
Dry Cleaning – Pick Up Stations only (no cleaning on premises)  
Electrotyping  
Engraving  
Funeral Directors (No Professional Liability available)  
Laundromats – coin operated, attended only  
Letter Service (mailing or addressing)  
Linen Supply  
Linotyping  
Lithographing  
Photocopying and Blueprinting  
Photoengraving  
Photofinishing Laboratories  
Photographic Studios  
Printing - Commercial and Related Services (small scale)  
Radio and TV Repair  
Shoe Repair  
Stenographic and duplicating, NOC  
Storage Buildings  
Tailors  
Tuxedo Rental  
Valet Service  
Watch, Clock and Jewelry Repair

**If you have questions on the acceptability of any risk please call the underwriting department. Company final acceptance is subject to inspection results, review and approval on all risks.**

## **SPECIAL MULTI-PERIL - Custom**

This line of business guide is intended to be referenced in conjunction with the Prohibited Classes and General Information – All lines of business section (p.3) of this Program Guide.

### **BINDING AUTHORITY**

#### **MAXIMUM LIMITS**

COVERAGE A (Building)	\$300,000*
COVERAGE B (Business Personal Property)	\$300,000*
COVERAGE L (Liability)	\$500,000*
LS-34 LIQUOR LEGAL	\$100,000
LS-50 Employee Non-Owned Auto	\$100,000
MEDICAL PAYMENTS	\$ 5000

\* **Higher Limits are available** with prior underwriting approval.

Binding authority is also **subject to the Underwriting Guidelines** below.

### **UNDERWRITING GUIDELINES AND INFORMATION**

Risks must be in **average condition** with acceptable housekeeping, maintenance and upkeep. Policyholders are expected to comply with hazard reducing loss control recommendations.

**Policies covering risks that have any habitational occupancy, that were constructed prior to 1980 and which have not had governmentally approved lead abatement already completed, will have form LS-59 Lead exclusion attached.**

**For Replacement Cost coverage on buildings or contents the amount of insurance requested must be at least 80% of our computed replacement cost of the insured property.**

**For Actual Cash Value coverage on buildings or contents, the amount of insurance requested must be at least 50% of our computed replacement cost of the insured property. Any other requests require prior Underwriting approval. Flat coverage is also available but requires prior underwriting approval.**

**LS-6 Business General Liability Extra Coverage** is NOT available.

**LS-70A Business Premises Exclusion Other Than Designated Premises** form is mandatory for corporations or LLCs.

**Additional Insureds** – Name, address and insurable interest are required.



**Fire Legal Liability** limits up to \$100,000 may be added using the LS-48 Fire Legal Liability form when writing and LS-1 or LS-5.

**Multiple Occupancies** are rated on the basis of the most hazardous or highest rated class.

Policies are limited to **one location per policy**.

**Professional Liability:** LS-44 Beauty/Barber Shop Professional Liability is available with prior underwriting approval.

**Seasonal Risks** are available. SF-1 is available for binding. Broader coverage requires prior underwriting approval.

**Bars, Taverns and Restaurants:** Operators must have at least three (3) years restaurant or tavern management experience in this industry.

#### **Restaurant Requirements:**

Approved hood and duct system with automatic fire suppression (ANSUL) with ongoing maintenance agreements for both systems. These requirements may also be applicable to tavern risks, depending on extent of cooking done.

Incidental catering (less than 20% of total sales) and delivery is allowed (50% of total receipts from delivery) are acceptable. Agent must provide acceptable MVRs for all drivers. \$100,000 limit (Form LS-50 applies). Higher limits require underwriting approval. Max limit \$300,000.

**LS-73 Assault and Battery Exclusion Form:** mandatory on all restaurant, tavern and club risks.

**LS-14 Athletic Participants Exclusion:** mandatory on all restaurant, tavern and club risks.

Risks with on-premises athletic or sports related activities or risks sponsoring sports teams may not be eligible and **require prior underwriting approval**.

**LS-34 Liquor Legal** is available with limits up to \$100,000 maximum for restaurant exposures **ONLY**. Requires completion of Liquor Legal supplemental application **and prior underwriter approval**. Tavern risks do not qualify for Liquor Legal Coverage

To qualify as a restaurant, at least 50% of total receipts should be from sale of food.

#### **ELIGIBILITY**

**Apartments** – 5-10 Units. Larger exposures require underwriting review and approval. Rooming or Boarding houses require underwriting review and approval.

**Hotel/Motel:** Five units or more including cottages on premises; non franchised only

**Office:** No Architects, engineers or computer programmers

**Institutional:** Churches (Clergy Professional Liability is not available), Libraries and Museums. Schools are not eligible.

**Mercantile:** The following are some of the classes we write:

Automobile Accessory Store, No automobile repair work, tire recapping or vulcanizing performed

Bagel Shops

Bakeries

Barber and Beauty Supplies

Bars and Taverns

Beverage Store, selling beer and wine

Beverage Store, selling no alcoholic beverages

Bottle Redemption Stores

Camera and Photographic Supply Store

Candy, Nut and Confectionery Store, with no cooking on premises

Card and Stationery Store

Clothing Store

Convenient Stores

Craft Store

Delicatessen

Fabric Store

Florist

Fraternal Organizations

Furniture Store

General Store - Cooking permitted

Gift, Novelty and Souvenir Store

Grocery Stores (less than 5,000 sq. feet)

Hardware Store

Health Food Store

Ice Cream Store, NO cooking on premises

Jewelry (not Jewelers Block)

Kitchen Accessories Store

Lawn and Garden Supply Store

Leather Goods Store

Liquor Store

Magazine and Book Store

Motels – non franchised

Music, Tape and Record Store

Office Products Store

Photographic and Camera Supply Store

Pizza Shops

Plumbing Supply

Record, Tape and Music Store

Restaurant

Restaurant Equipment  
Retail, NOC\*  
Shoe Store  
Tattoo Parlors  
Tobacco Store  
Toy, Hobby and Game Store  
Variety Store  
Wholesale, NOC\*

\* Subject to underwriting approval of specific occupancy type.

**Processing and Service:** The following are some of our acceptable classes:

Barber Shop (Professional Liability is available)  
Beauty Shop (Professional Liability is available)  
Clubs  
Coin Operated Laundries and dry cleaners (self-service - attended)  
Dry Cleaning – Pick Up Stations only (no dry cleaning on premises)  
Funeral Homes (No Professional Liability available)  
Laundromats – coin operated, attended only  
Printing - Commercial and Related Services (small scale)  
Tailors

**If you have questions on the acceptability of any risk please call the underwriting department. Company final acceptance is subject to inspection results, review and approval on all risks.**