



# South Carolina

## Underwriting Binding Guidelines (11-1-2016 Edition)

Please refer to Atlas Bridge "Check Form Availability" for closed Zip Codes

**100 % REPLACEMENT COST VALUE (RCV) MUST BE USED AS THE COVERAGE "A" LIMIT ON HO3 AND HO6 POLICY FORM.**

**100% ACTUAL CASH VALUE (ACV) MAY BE USED AS THE COVERAGE "A" LIMIT ON THE HO8 POLICY FORM WHEN THE OPTIONAL REPLACEMENT COST LOSS SETTLEMENT ENDORSEMENT IS NOT SELECTED (Properties over 100 years must be written at ACV, HO8 Only)**

To determine ACV, calculate the RCV and reduce the limit by up to 25% depending upon the risk's condition.

### HO3 - Properties Built 1950 and Newer

HO3	X-Wind in Windpool	W/Wind in Windpool	W/Wind NonWindpool
Inland Min. and Max	N/A	N/A	\$100,000 - \$1,000,000
Coastal Min. and Max	\$200,000 - \$300,000	\$100,000 - \$1,000,000	\$100,000 - \$1,000,000

### HO8 - Properties Built 1890 and Newer

HO8	X-Wind in Windpool	W/Wind in Windpool/ Non-Windpool
All Groups Min and Max	\$100,000 - \$500,000	\$100,000 - \$1,000,000

### HO4 and HO6 - Properties Built 1900 and Newer

Homeowners Form/Coverage	Minimum Cov C	Maximum Cov C
HO4 Coverage C	\$20,000	\$300,000
HO6 Owner Occupied Cov A	\$15,000	\$500,000
HO6 Owner Occupied Cov C	\$20,000	\$300,000
HO6 Tenant Occupied Cov A	\$15,000	\$500,000
HO6 Tenant Occupied Cov C	\$6,000	\$6,000

**Note: UPCIC will not backdate cancellations. Please refer to the cancellation provision located on the policy form.**



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Age of Home Requirements (Roof & HVAC Restriction do not apply to HO4 or HO6)	
Roofing, Heating and Electrical updates within 30 years should be confirmed on the application on all other risks	
Roof	Plumbing
Shingle/Wood Roofs must be 25 years or newer (Except HO8 – Roofs must be in good condition)	No Polybutylene Pipes (Except HO8)
All other roof types must be in good condition	No Pex Plumbing (Except HO8) <b>Exception:</b> Properties built 2010 or newer or with Pex updated 2010 or newer.
HVAC	Electrical
No Portable Space Heaters	Minimum of 100 Amps is Required
No Gas Heaters, Portable Stoves or Wood Burning Stoves, unless professionally installed	No Aluminum (branch wire), Cloth, Knob Tube or Double Tap Wiring (Alumiconn and Copalum are acceptable)
No Open Flame Devices (If primary source)	No Fuses
Operable Heating – Vented to each room is required statewide	No Federal Pacific (includes stab lok), Zinsco, Sylvania-Zinsco, or Challenger-Zinsco Boxes
Solid or alternative fuel based heat sources which are professionally installed/certified are acceptable, as long as they meet the aforementioned venting requirement.	

Ineligible Construction Types and Property Criteria	
No Mobile or Trailer Homes	No Exterior Insulation Finishing System (EIFS)
No Dome Homes or Unusual Construction	No Pre-existing Damage
No Manufactured or Modular Homes	No Do It Yourself Construction
No Commercial Property/Business Exposure (Excluding Home Day Care – Liability exclusion applies)	No Builder's Risk (properties under construction or extensive renovation while unoccupied)
No Historic Homes	No Properties partially or wholly over sand (Acceptable under HO8 Only)
No Farming, Ranches, Orchards, Groves or Agriculture	No properties over Water
No Homes with Chinese Drywall	
No Open Foundation - Lattice, Stilts, Piers, Pilings etc. <b>(Acceptable under the HO8 policy form)</b>	
<b>Exception:</b> Properties with open foundation built 2003 or newer; or properties meeting the definition of FEMA Diagram 6 are acceptable under the HO3 form.	

Background	
All Forms: Prior arson convictions, fraud convictions or misrepresentations disqualify applicant(s)	
Background eligibility applies to the named insured(s), Spouse, relatives, or other person under the age of 21, or a student enrolled in school full time if residents of the household.	
HO3, HO4 and HO6 (except HO8)	All Forms
No Bankruptcies Filed within 60 Months	No Felony Conviction within 10 Years
No Foreclosure Judgments within 60 Months	No First Party Lawsuit against an Auto or Homeowners Insurance Company <b>(Regardless of Time Frame)</b>



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Prior Losses	
<b>Prior Sinkhole Losses on location, or for applicant(s) are unacceptable on all forms</b> (Regardless of time frame)	
All forms Except HO8	HO8 Form Only
**No Water Damage, Dog Bite, Fire, or Theft (Read exception for older than 60 months)*	No Prior Fire Losses (see exception below)
One (1) prior loss less than 10K in last 60 months period is acceptable with a \$1000 AOP deductible <b>excluding</b> the above**	HO8: four (4) or less prior losses during the last 60 months period is acceptable
One (1) remediated Fire or Water, or one (1) Dog Bite or Theft claim <b>older than 60 months</b> is acceptable*	One (1) remediated Fire claim older than 60 months is acceptable

Miscellaneous	
No Condo Hotels, Nursing/ Assisted Living Facilities or Student Housing	All forms PC 1-9 are acceptable
Rentals must be on an Annual Basis (12 months) (Sub-letting is not acceptable at any time)	Log Homes are acceptable ONLY in PC 1-8 (PC 1x-8x, 1y-8y, 9 or 10 are not acceptable)
Deed/Proof of New Purchase or Proof of Prior Insurance within 45 days is Required to Avoid Surcharge (Force placed insurance or wind only policies are not considered prior insurance)	PC 10's are <b>Not</b> acceptable (Ex: Fire station over 5 miles)
New Purchase Foreclosure or Short Sale Properties require current Interior color photos (AC/Heat, kitchen, all bathrooms and electrical interior panel)	Swimming Pools must be fenced or enclosed of at least (4) feet in height (If unfenced, not enclosed, or in poor condition Swimming Pool Liability Exclusion applies)
Home Day Care Business (Must be licensed and meet state requirements, Exclusion applies)	360 Home Replacement Cost Valuations are <b>ONLY</b> Acceptable if Completed through Atlas Processing System
Handrails are Required on 3 or more Steps	No Vacant or Unoccupied Properties
Trampoline, Diving Board or Pool Slides are acceptable on HO3 and HO8 Forms (HO3 Liability Exclusion applies)	

Ineligible Dog Breeds (Animal Liability Exclusion Applies Regardless of Breed for all forms)	
Chow	Staffordshire Terrier
Presa Canarios	Akita
Pit Bull	
<b>Any mixed breed dog that is half breed or greater with one or more of the aforementioned breeds is not acceptable (Exception HO8 Form)</b>	
<b>Animal Liability Buy-back is not available for any of the above breeds</b>	



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Endorsements Available	
Animal Liability Buy Back 50K – All Forms (Not available for Dogs with prior bite history, dangerous animals or those listed under ineligible breeds are not acceptable)	Personal Injury Coverage
Additional Amount Coverage A 25% - Form HO3	Personal Injury Coverage
Coverage C – Special Limits of Liability	Personal Property Replacement Cost
Coverage E - Personal Liability Increased Limits to 500K – Limits higher than \$100K are not available on form HO8 and limits higher than 300K are not available on HO4	Properties 2003 or newer will receive a 15% Roof credit
Limited Water Back-up & Sump Discharge or Overflow Coverage \$25K	Refrigerated Personal Property – All Forms
Limited Fungi, Wet Or Dry Rot Or Bacteria Increased Limit (All Forms except HO8) – An interior inspection must be conducted before coverage can be added	Replacement Cost Loss Settlement – Form HO8
Mechanical Breakdown - Forms HO3 & HO6 Appliances must be updated/replaced within 30 years (photos may be required)	Residence Held in Trust
On and Off Premises Theft Increase (HO8 Only)	Supplemental Loss Assessment – Increased Limits – Forms HO3, & HO6
Ordinance or Law Increase (HO3)	Unit Owner Coverage A Special Coverage (HO6 Only)
Other Structures Increased Limits – Form HO3 & HO8	Unit Owner Rental to Others (HO6 Only)
Opening Protection 10% Credit – A Completed Wind Mitigation Affidavit is required	Windstorm and Hail Exclusion (Can only be excluded in areas served by SCWHUA)
<p><b>Scheduled Personal Property - Limit for any one item is \$25,000. Any item over \$2,500 MUST have an appraisal which is no more than one year old – Coverage will be removed if not attached – Forms HO3 &amp; HO6</b></p>	
<p><b>Hip Roof 10% Credit</b> – Applicants may submit color photos of all building sides (minimum 4 photos) confirming <b>100% hip roof system</b>. Roof must meet the <b>2003</b> International Building Code to obtain applicable credit. In the event the Company is unable to determine the roof geometry based on the photos provided, credits will be removed.</p>	



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Under certain circumstances we will allow an 'Entity' owned property to be insured through our Homeowners or Dwelling Property Insurance programs. The following chart exhibits the relationship between entity types and the program forms which we may find acceptable but under no circumstance will policies written according to the chart below be acceptable unless the following criteria are met:

1. There must be a clear and transparent relationship between: Occupant - Entity - Property
  - a. The Occupant must have clear first party interest in the Entity, and the Entity must have clear first party interest in the Property.
  - b. There can be no Multiple - Entity Relationships i.e. Entity owns Entity which owns Property or Multiple Entities own Property (Husband and Wife Trusts are the only exception).
2. Proof of the preceding criteria must be verified prior to binding and be submitted with the application or the business will be otherwise cancelled.
3. On Homeowners Forms the Occupant must be the Named Insured and the Entity must be listed as an Additional Insured (ISO Form HO 04 41). HO6 tenant occupied is acceptable.
4. Additional Interest (ISO Form HO 04 10) may be added for the purpose of providing proof of coverage.

Entity Type	HO3, HO6, HO8 Occupant As Named Insured Only
<u>Business Entities</u> LLC      Corporation LLP      LTD Additional Types – Refer to Underwriting Department	Entity as Additional Insured Occupant - Member/Officer as Named Insured HO6 Tenant Occupied is Acceptable
<u>Probate Entity</u> Estate of (Decedent)	NOT Acceptable
<u>Personal Entities</u> IRA FBO (Occupant) Life Estate	Entity as Additional Insured Occupant - Member/Officer as Named Insured HO6 Tenant Occupied is Acceptable
Trust Entities, Individual Trust, Family Trust, Realty Trust, Land Trust Revocable (Living) or Irrevocable	Entity as Additional Insured Occupant - Member/Officer as Named Insured HO6 Tenant Occupied is Acceptable
Residential Associations can be listed as <u>additional interest</u> for the purpose of providing proof of coverage to the following associations: <b>Condominium Assoc.</b> <b>Homeowners Assoc.</b>	Additional <u>Interest Only</u>
<b>Co-Operative Development Management Companies (HO4 only)</b>	*Co-Ops are Only Eligible on HO4 Policy Form



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### HOMEOWNERS BINDING AUTHORITY GUIDELINES

- I. Risks not meeting all of the requirements contained herein may not be bound. Risks not eligible for binding may be submitted unbound if they meet the guidelines contained in the "Manual" (See section VI below regarding unbound applications) and the applicable program section of the manual (Homeowners).
- II. Company underwriting guidelines are located in the Manual and may be supplemented in the applicable program section. Rules contained in the program section of the manual must be followed and will prevail in the underwriting and rating of all policies written with Universal Property & Casualty Insurance Company.

### III. General Requirements

- A. All business placed by the agent with the Company must originate from persons licensed for the Agency by the Company. Brokered business (except brokered business placed under a written Brokerage Agreement) is not acceptable and is deemed to be a violation of the Agency-Company Agreement.
- B. All bound applications must be submitted to the Company upon binding of the policy.

### IV. Binding Requirements

- A. Risks eligible for binding may be bound by obtaining a completed and signed UPCIC application and the required premium payable to UPCIC.
  - 1. The binder period will end upon the earliest of (a) 30 days following binding, (b) acceptance or declination of the insurance policy, or (c) notice from the Company.
  - 2. New Business:
    - a. **Full Payment Option** – The full payment is to be submitted with the application. If paid by the insured, mortgagee or premium finance company within 15 days of the date the policy is effective.
    - b. **Two Payment Option** – 60% down and 40% due on the 180<sup>th</sup> Day of the policy period.
    - c. **Four Payment Option** – 35% down and 2 payments of 25% each due on the 90<sup>th</sup>, 180<sup>th</sup> day and 1 payment of 15% on the 270<sup>th</sup> day of the policy period.
  - 3. Payment fee schedule for the two and four payment plans above:

Total Premium including fees ranges from:			The fee per payment is:
\$0	To	\$399	\$3
\$400	To	\$499	\$4
\$500	To	\$649	\$5
\$650	To	\$799	\$6
\$800	To	\$949	\$7
\$950	To	\$1,099	\$8
Add \$1 in fees per payment for every \$150 of total premium over \$949			
A setup fee of \$10 applies to all policies utilizing a payment plan			

- 4. Renewal Business: The billing process is the same as the New Business process above. Payment Options will be offered by mail to the insured 50 days in advance of the renewal date.



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**Note:** *Universal Property and Casualty seeks to write business and will make every effort to do so responsibly. Risks not meeting the binding guidelines may be submitted unbound. The company considers all available information in underwriting risks. In some cases the company may be able to write risks not meeting one or more underwriting criteria if other characteristics indicate the risk is desirable. The underwriting department will be happy to assist with any questions*