



UNDERWRITING GUIDELINES



 Arkansas

TABLE OF CONTENTS

- I. Eligibility Guidelines 2
- II. General Eligibility..... 2
- III. Building Requirements 3
- IV. Ineligible Risks 3
- V. Refer to Underwriting 4
- VI. Miscellaneous Information 4
- VII. Definitions & Reference Information 5
- VIII. Agency Reference 6
- IX. Notes 7

WHAT'S NEW?

Effective Date of New and Revised Material

12/07/2016



I. ELIGIBILITY GUIDELINES

United Home is a Standard/Preferred Market where the quality of risk is of great importance. Our company mission is to provide insurance for responsible homeowners or renters that practice prudent upkeep, careful maintenance of their property, and present opportunities to United Home to write additional lines of business. We rely on our agents to underwrite the risks, make sure program eligibility requirements are met, and ensure that the property is in good condition and occupied.

Our rating plan was developed based on a historically disciplined approach to underwriting, but even if a rate is offered on a risk, we expect our agents to exude disciplined underwriting on their part to determine if the insured will be a long-term client of the agency and company.

In an instance where a potential insured who has multiple claims in the past five years, financial troubles, or other possible problems, it is important to contact your underwriter first to discuss before placing the risk with the company. Every risk is different, but our company target is to enter into a relationship with an insured who is responsible, takes care of themselves and their property while paying their bills on time. If a home and customer are claims-free and meet the criteria above, the likelihood they will qualify for a policy with United Home is very high.

II. GENERAL ELIGIBILITY

Eligible Properties

- A. Well maintained, occupied, not considerably exposed to losses, and is insured for an amount that is adequate as defined by our cost and underwriting guidelines. Photographs of the insured property are required prior to issuance of the risk. At a minimum, a clear photograph of the front of the home, back of home, and any additional characteristics, such as wood heat, pools, detached structures, etc. must be uploaded to our system for risk acceptance.
- B. Owner-occupied, used exclusively for private residential use, and contains no more than 1 unit.
- C. Farming activities, if incidental, and farming is not the primary occupation of the insured.
- D. Generally business on premises will disqualify the risk, although small incidental businesses can be acceptable. It's necessary for the agent to discuss the business pursuit with the underwriter prior to binding or submitting the risk.
- E. Must be the owner's primary residence. Secondary residences are acceptable but not in the homeowner program.

Note: Items in **BOLD** are further defined in Section VI. Definitions and Reference Information



III. BUILDING REQUIREMENTS

Property and premises must be well maintained

- All major systems (plumbing, heating, electrical, roof) must be in good condition and have no unreported conditions or any uncorrected fire or building code violations.
- For most programs, heating must be central or thermostatically controlled electric heat. If the central heating system includes a wood or coal burning furnace as the primary heat source, the property must have a backup oil or gas central heating system or thermostatically controlled electric heating system. (Note: A converted coal furnace, kerosene heater, electric space heater or wood/coal/pellet stove cannot be the primary source of heat.)
- Valuation may not necessarily be replacement. United Home will review a variety of factors including, but not limited to: age of home, location, and condition. The United Home valuation does not represent a guarantee of replacement, it only represents the value United Home believes is acceptable within the philosophy of management.
- All losses in the prior 5 years are subject to underwriting review, 10 years for fire losses

IV. INELIGIBLE RISKS

The following are risks United Home will not accept, although not all inclusive, United Home reserves the right to decline those risks that we believe are loss prone.

Construction

- Buildings in the course of construction, including existing structures that the insured will vacate while an extensive remodel is completed
- Manufactured homes, except modular homes
- Open Foundation (post and pier)
- **Non-Standard Buildings**
- Homes on a historical register
- Architecturally unique

Miscellaneous

- Any person in the insured household that has been convicted or plead guilty to a felony. This would include those individuals that received a SIS (suspended imposition of sentence)
- Any risk where the mortgagee is not a standard commercial lender
- Contract for Deed sales arrangements
- Any insured not gainfully employed, except for individuals age 60 and older
- Any insured declaring bankruptcy 3 years prior to the inception of the policy
- Any insured where the marital status is separated
- Any risk where insured has significant amounts of collections, tax liens, and/or bad debt
- Any risk where the mortgage is delinquent

Note: Items in **BOLD** are further defined in Section VI. Definitions and Reference Information



V. REFER TO UNDERWRITING

The following requires underwriting intervention:

Coverage

- Coverage declined, cancelled, or non-renewed during the last 3 years
- More than 3 weather losses in prior 5 years
- More than 1 non-weather loss in prior 5 years
- Business conducted on premises
- Incidental farming
- High Value (excess of \$350k Coverage A)
- Secondary dwelling
- Seasonal dwelling

VI. MISCELLANEOUS INFORMATION

The following risks are not acceptable to United Home. We reserve the right to decline any risk deemed as loss prone.

- Risks without current photographs in underwriting file (defined as 2 years old or less)
- Unoccupied dwellings
- Vacant dwellings
- **Buildings undergoing extensive renovation or reconstruction**
- **Animals**
 - Exotic Pets
 - On the “breed of concern” list
 - Risks where horse activities are conducted such as barrel racing, roping, etc.
 - Non-owned animals grazing on premises
- House for sale
- Buildings owned by a corporation, company, LLC, etc.
- Farming exposure (except for what is acceptable under Incidental Farm Coverage)
- Dwelling located in a **brush or wind hazard area**

Roofs

The following roof types will require a roof exclusion to qualify with UHIC:

- Wood Shake/Shingle
- Metal Tile/Shake
- Clay/Spanish Tile
- Rolled Roofing
- Slate
- Flat Roofs hot mopped with or without gravel
- Sprayed Polyurethane Foam

Note: Items in **BOLD** are further defined in Section VI. Definitions and Reference Information



VII. DEFINITIONS & REFERENCE INFORMATION

Animals

Any risk with exotic pets, including but not limited to Rattlesnakes, Pythons, Buffalo, Elk, etc.

Dog Breeds of Concern:

- Akita
- Chow
- Doberman Pinscher
- Presa Canario
- Pit Bull
- Rottweiler
- Staffordshire Bull Terrier
- Wolf Hybrid
- Any mixture of the above breed of dog

Buildings Undergoing Extensive Renovation or Reconstruction

Dwellings undergoing major renovation or reconstruction that will:

- Result in changes to more than 40% of the dwelling, or;
- Render the dwelling uninhabitable for more than 60 consecutive days

Coverage Declined, Cancelled, or Non-Renewed During the Last five (5) Years

Acceptability of the risk dependent upon the reason for the coverage declination, cancellation, or non-renewal.

Loss

All paid losses (including CAT losses), incurred in the last 5 years, to the insured's home or personal possessions at this or another location

Non-Standard Buildings

Underground homes, manufactured homes, houses built on pilings or stilts, or built out of unusual, non-standard materials.

Unoccupied

Any residence unoccupied for extended periods of time (example: 30 or more consecutive days, 2 or more times a year). Unoccupied means occupants do not live in the dwelling but contents still are housed in the dwelling.

Vacant

Devoid of contents and people.

Brush or Wind Hazard Area

Brush is any live or dead bushes, shrubs, thicket, trees or other vegetation near the dwelling. This brush can potentially light on fire, burn and/or fuel a wildfire.

Vegetation or trees growing in thick bundles (especially low to the ground) are more of a threat as a fire source. Piles of dead yard debris, tree branches, dried grass, etc. are also considered uncleared brush.



