

MUTUAL ASSURANCE
SOCIETY OF VIRGINIA

POLICY MANUAL

Confidential and Proprietary

1/1/2019

Table of Contents

I. BRIEF HISTORY AND DESCRIPTION OF SOCIETY.....	3
II. PLAN OF OPERATION	4
A. AUTHORIZED FORMS AND TERRITORIES	4
B. AUTHORIZED TERRITORIES AND AGENCIES	4
III. HOMEOWNERS POLICY MANUAL	8
A. HOMEOWNERS POLICY UNDERWRITING REQUIREMENTS	8
B. POLICY ISSUE AND PREMIUM BILLING PROCEDURE.....	11
C. GENERAL RULES FOR HOMEOWNERS POLICIES.....	12
1. POLICY FORMS AND DESCRIPTION OF COVERAGE	12
2. ELIGIBILITY	12
3. MANDATORY COVERAGES.....	14
4. OFFICE, PROFESSIONAL, PRIVATE SCHOOL OR STUDIO OCCUPANCY.....	14
5. POLICY LIMITS	15
6. DEDUCTIBLE.....	16
7. OPTIONAL COVERAGES.....	17
8. COVERAGE FOR VACANCY OR NON-OCCUPANCY OF PREVIOUSLY OWNER-OCCUPIED DWELLINGS.....	27
9. COVERAGE FOR SECONDARY RESIDENCES	28
10. REQUIREMENTS FOR SUBMISSION OF APPLICATIONS FOR ASSURANCE/CHANGE ENDORSEMENT REQUESTS.....	29
11. PERPETUAL HOMEOWNERS POLICY	30
12. OTHER INSURANCE	31
13. INTERPOLATION OF PREMIUMS FOR POLICY AMOUNTS NOT SHOWN ON PREMIUM CHARTS	31
14. INCREASES IN LIMITS OF LIABILITY OR ADDITION OF COVERAGES	31
15. DEFINITION OF PRO RATA BASIS	31
16. WAIVER OF SMALL PREMIUM ADJUSTMENTS.....	31
17. CANCELLATIONS OR REDUCTIONS IN COVERAGES/REFUNDS OF UNEARNED PREMIUMS OR ASSESSMENTS.....	31
18. PREMIUM REVISIONS	32
19. TRANSFER OR ASSIGNMENT/RETENTION OF QUALIFIED STATUS	32
20. PROTECTION CLASS CHANGE	33
21. INSPECTION OF INSURED DWELLINGS MANDATORY.....	33
22. MISCELLANEOUS OPERATING RULES	33
D. PREMIUM RULES AND TABLES	36
E. AUTHORIZED FORMS AND ENDORSEMENTS.....	52
IV. DWELLING PROPERTY (DP) POLICY MANUAL	54
A. UNDERWRITING REQUIREMENTS	54
B. POLICY ISSUE AND PREMIUM BILLING PROCEDURE.....	56
C. GENERAL RULES FOR dwelling property (DP) POLICIES.....	57
D. PREMIUM RULES AND TABLES	61
E. AUTHORIZED FORMS AND ENDORSEMENTS.....	63
V. PERSONAL UMBRELLA LIABILITY	64
A. GENERAL	64
B. LIMITS OF LIABILITY	64
C. INELIGIBLE EXPOSURES	64
D. MINIMUM REQUIRED UNDERLYING LIABILITY LIMITS.....	65
E. RATING	66
F. ENDORSEMENTS.....	68
G. SPECIAL RULES	68
H. AUTHORIZED FORMS AND ENDORSEMENTS	69
I. GENERAL PROCESSING PROCEDURES (AGENCY).....	69

I. BRIEF HISTORY AND DESCRIPTION OF SOCIETY

The Mutual Assurance Society Against Fire on Buildings of the State of Virginia was created by an Act of Incorporation passed by the Virginia General Assembly on December 22, 1794.

Because of its long history the Society had come to be known by various abbreviations of its official corporate name and in fact had legally assumed and did business under various names. Upon recommendation by management, the members of the Society voted on May 17, 1982 to officially change the name of the Society to the most commonly used title of "Mutual Assurance Society of Virginia."

The Society is a mutual assessment property and casualty insurance company and is operated for the benefit of its member policyholders. The Society conducts its business on the assessment plan whereby the Society's Board of Directors establishes the initial premiums to be charged each policyholder and thereafter the board levies an annual assessment. The amount of an annual assessment cannot exceed two hundred percent of the policy premium. The Society issues a perpetual policy without an expiration date and so long as the conditions of membership are satisfied the policy shall continue in full force and effect, subject however to the cancellation provisions of the policy and the Society's bylaws.

The fundamental principle of the Society is "mutual assurance and mutual risk" which is set forth in the Society's original Charter in this manner: "That the citizens of this State may insure their buildings against losses and damages occasioned accidentally by fire and that the insured pay the losses and expenses, each his share, according to the sum insured." In other words every member is the insured of every other and has every other bound to insure him. Conceptually, the advantage of this type of organization is lower insurance costs developed through the mutual sharing of risks, through conservative underwriting of risks and through conservative investment of the Society's funds.

From its inception in 1794 until 1955 the Society provided only fire insurance on selected buildings throughout Virginia. In 1822, the Society restricted its insurance to buildings located in independent cities of the State and has generally continued that practice today. In 1955 the Society amended its Charter to permit it to write extended coverage and again in 1965 its Charter was amended to permit the issuance of the homeowners package policy.

Since 1955 the Society has specialized in residential property insurance and at the present time issues only homeowners insurance on eligible one-family residences, dwelling property insurance on one-family and two-family dwellings and personal umbrella liability insurance for member policyholders.

The Society is the oldest mutual fire insurance company in Virginia and is the third oldest in the country. The Society is rated A/VIII by AM Best Company, Oldwick, New Jersey and A" (Double Prime) by Demotech, Inc., Dublin, Ohio.

II. PLAN OF OPERATION

A. AUTHORIZED FORMS AND TERRITORIES

1. Homeowners Insurance

Subject to the rules and requirements of this manual the Society will issue on a perpetual basis HO3-Special Form covering one-family owner-occupied dwellings. Endorsement forms identified in General Rule No.7 may be attached to each of these forms as specifically permitted by the rules of this manual.

Forms HO4-Contents Broad Form and HO6-Unit Owners Form may be issued only for former or current assureds of the Society for apartment or condominium units meeting all other eligibility requirements adopted by the Society.

2. Dwelling Property Insurance

Subject to the rules and requirements of this manual the Society will issue on a perpetual basis Form DP-2 Broad Form and DP-3 Special Form covering one-family and two-family residential dwellings only.

3. Personal Umbrella Liability Insurance

Subject to the rules and requirements of this manual the Society will issue personal umbrella liability insurance for excess liability for its homeowner policyholders only.

B. AUTHORIZED TERRITORIES AND AGENCIES

The Society is authorized by its Charter to transact insurance throughout the Commonwealth of Virginia. However, insurance is generally written only within the cities and counties designated as authorized territories by the Society. Insurance is written directly from the Society's home office by salaried employees of the Society. Outside of the home office area insurance is written by independent insurance agents under contract with the Society.

Coastal Guidelines: The Society will not insure freestanding residences within 2,500 feet of the coast line as defined by the Society. The coast line is defined as Ocean View Ave, including a straight line from Ocean View Ave to Shore Drive at Lynnhaven Inlet, and continuing on Shore Drive to Atlantic Ave and then continuing south on a straight line to the Virginia border. All other properties with waterfront exposure shall be considered on the basis of the individual risk characteristics. For current assureds, we will accommodate primary and secondary residences within 2,500 feet of the coast, if they are located in a multi-story building above the second floor.

Risks located in Accomack and Northampton Counties and Virginia Beach are ineligible for coverage with the Society.

The territories approved for insurance by the Society together with the authorized agency for each territory are as follows:

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

<u>AUTHORIZED TERRITORY</u>	<u>AGENCY NAME AND ADDRESS</u>	<u>AGENCY NUMBER</u>
Charlottesville & Albemarle County	Hanckel-Citizens Ins. Corp. 3rd & Jefferson Streets P.O. Box 96 Charlottesville, VA 22902 Tel: 434/296-7191 Fax: 434/979-8324	2
Chesapeake	USI Insurance Services 300 East Main St Suite 1300 P.O. Box 3427 Norfolk, VA 23514 \Tel: 757/625-1800/ 800-783-7474 Fax: 757/625-4849	3
Chester Area	Home Office	1
North Chesterfield	Home Office	1
South Chesterfield	Home Office	1
Colonial Heights	Home Office	1
Danville	Bankers Insurance, LLC 515 Memorial Drive P.O. Box 3306 Danville, VA 24543 Tel: 434/793-8322 Fax: 434/797-2253	4
Franklin	Suffolk Ins. Corp. 202 Market Street Suffolk, VA 23434 Tel: 757/539-9988 Fax: 757/934-3414	5
Fredericksburg	Bankers Insurance, LLC 417 Wolfe St P.O. Box 578	6

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

<u>AUTHORIZED TERRITORY</u>	<u>AGENCY NAME AND ADDRESS</u>	<u>AGENCY NUMBER</u>
	Fredericksburg, VA 22404 Tel: 540/373-3833 Fax: 540/371-5930	
Goochland County	Home Office	1
Hanover County	Home Office	1
Harrisonburg	Bankers Insurance LLC 560 Neff Avenue, Suite 500 Harrisonburg, VA 22801 Tel: 540/434-4469 Fax: 540/432-9877	7
Henrico County	Home Office	1
Hopewell	Home Office	1
Lexington	Bankers Insurance, LLC 210 East Washington Street P.O. Box 898 Lexington, VA 24450 Tel: 540/463-2141 Fax: 540/464-3628	8
Lynchburg	Campbell Insurance. 801 Main Street P.O. Box 677 Lynchburg, VA 24505 Tel: 434/847-5541 Fax: 434/847-5049	9
Norfolk	USI Insurance Services 300 East Main St Suite 1300 P.O. Box 3427 Norfolk, VA 23514 Tel: 757/625-1800/ 800-783-7474 Fax: 757/625-4849	3
Martinsville	Bankers Insurance, LLC 515 Memorial Drive P.O. Box 3306 Danville, VA 24543 Tel: 434/793-8322 Fax: 434/797-2253	4
Petersburg	Home Office	1

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

<u>AUTHORIZED TERRITORY</u>	<u>AGENCY NAME AND ADDRESS</u>	<u>AGENCY NUMBER</u>
Portsmouth	USI Insurance Services 300 East Main St Suite 1300 P.O. Box 3427 Norfolk, VA 23514 Tel: 757/625-1800/ 800-783-7474 Fax: 757/625-4849	3
Richmond City	Home Office	1
Roanoke	Trustpoint Insurance 16 E Church Avenue Roanoke, VA 24011 Tel: 540/982-0200	14
Smithfield	Suffolk Insurance Corp. 202 Market Street Suffolk, VA 23434 Tel: 757/539-9988 Fax: 757/934-3414	5
Staunton	Bankers Insurance, LLC 12 Hedgerow Drive Staunton, VA 24401 Tel: 800/823-1918 Fax: 800/800-0146	10
Suffolk	Suffolk Insurance Corp 202 Market Street Suffolk, VA 23434 Tel: 757/539-9988 Fax: 757/934-3414	5
Winchester	The Winchester Group 24 W Piccadilly Street Winchester, VA 22601 Tel: 540/662-1828 Fax: 540/662-5707	11

NOTE:

1. For all territories served by independent agents the Society will consider applications on risks located in contiguous areas defined by the Society as protected areas, provided the subject risk is within 6 miles of a responding fire department and within 1,000 feet of a fire hydrant.
2. Current members of the Society will be given consideration when they relocate within the State of Virginia, provided they can be reasonably serviced by the Home Office or an authorized independent agency, but subject to all other eligibility requirements. Risks located in Accomack and Northampton Counties are ineligible for coverage with the Society, regardless of whether a primary or secondary residence.

III. HOMEOWNERS POLICY MANUAL

A. HOMEOWNERS POLICY UNDERWRITING REQUIREMENTS

The Mutual Assurance Society will consider applications for assurance on those dwellings, which qualify under the rules duly adopted by the Society. The Society issues a perpetual homeowners policy, i.e. without expiration, and accordingly it seeks to insure quality property in approved territories only.

The following requirements are presently in effect.

1. Dwelling must be situated in an authorized territory as identified in Section II of this Manual or otherwise meet the eligibility requirements set forth in this Manual and has not had a lapse in coverage prior to applying for coverage with the Society.
2. Dwelling's Coverage A amount for new assureds is limited to no more than \$2,500,000. A central station fire monitoring system is required for dwelling limits of \$1,000,000 or higher.
3. Dwelling occupancy is limited to one-family owner-occupied residences with no more than two roomers or boarders on premises. Short term rentals as part of a home sharing arrangement (i.e. AirB&B) are not permitted. Condominiums and apartments may be insured only as authorized under the eligibility rules of the Manual. A two-family dwelling may be considered for current assureds.
4. Any new member's dwelling must be no more than 1,000 feet from a fire hydrant and no more than 6 miles from the primary responding municipal fire department, as measured by an acceptable electronic mapping tool such as Google Maps or MapQuest. The fire department must be completely staffed by full-time personnel.
5. The Society reserves the right to suspend offering coverage to new members who have occupied the residence for less than 12 months.
6. Dwelling must have a fully enclosed permanent foundation and be of conventional construction of brick, stone, block or frame of not more than three stories, excluding basement area. No novel or experimental construction techniques or features are permitted. Asbestos siding is not acceptable for new assureds. Current assureds purchasing residences with asbestos siding may be referred to management for consideration on an Actual Cash Value basis. EIFS (synthetic stucco) is not permitted, except as architectural accent representing less than 20% of the exterior surface of the dwelling or if dwelling was built after 2004.
7. Dwelling must have central heating system. A dwelling with an oil or gas fired furnace located in a crawl space under the house is not eligible unless the furnace is serviced annually. No floor furnaces or wall furnaces are permitted. No hot water radiant heat installed in floor or ceiling is permitted. Supplemental electric radiant heat installed in the floor is permitted. No unique HVAC system that is installed by a single contractor or that can be serviced by only one contractor.
8. Dwelling systems and appliances must be in good condition and good working order. Dwelling must not be over 70 years of age unless plumbing, heating and electrical service have been replaced or updated. For underwriting purposes updated means the following:

ELECTRICAL SYSTEM:

- (1) fuse panels replaced by circuit breakers, electrical outlets replaced
- (2) panel must be a minimum of 200 amp
- (3) entire house rewired or the existence of copper wiring verified by a qualified person

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

PLUMBING SYSTEM:

- (1) Galvanized pipe replaced with copper pipe or approved PVC (plastic) or PEX pipe

HEATING SYSTEM:

- (1) original furnace or boiler replaced
- (2) no asbestos materials on the furnace/boiler or any other part of the heating system

9. Dwellings on the National Historical Registry can be considered for current assureds only, as long as proper updates are in place and the dwelling value is deemed adequate to contemplate the increased cost of reconstruction required to maintain registry guidelines.
 10. Dwelling may be unoccupied due to usual and customary travel on weekends and on the average about four weeks during a year. Dwellings unoccupied for extended periods during the year, i.e. generally exceeding 30 consecutive days, must not be written unless a temporary resident will secure the dwelling. Dwellings frequently unoccupied as a result of performance schedules such as for entertainers, actors, athletes, musicians, etc. must not be written.
 11. Dwelling should be insured to 100% of estimated replacement cost but in no event less than 80% of estimated replacement cost.
 - i. For high percentage mortgage loans the Society will consider insurance up to 110% of estimated replacement cost provided that no additional increases in coverage will be made until inflation, improvements or some other appropriate cause results in coverage being an amount less than 100% of estimated replacement cost.
 12. Dwelling must be personally inspected by an authorized agent or representative of the Society and the application for assurance must be submitted to the home office for approval. Each application for assurance should be accompanied by pictures of the following:
 - All exterior sides of the dwelling
 - Any detached structures
 - Each kitchen (minimum of two pictures)
 - Each full bathroom
- See General Rule No. 22 regarding inspection requirement.
13. Generally, risks must be loss free within the past three years; however, one weather related loss not exceeding \$5,000 will be permitted provided that all repairs have been completed.
 14. Risks with swimming pool must be fenced with 4 ft. fence minimum, lockable gate and no diving board.
 15. A homeowners policy shall not be issued to cover:
 - a. Any mobile home, trailer home or house trailer whether or not set on blocks, foundations or otherwise made stationary.
 - b. Any property situated on premises used for farming purposes. Incidental farm liability at primary location will be given consideration by the Society.
 16. Row-style dwellings or units (those with common or party walls, ceilings or floors, with parapet or not) cannot be adjacent to a currently insured dwelling or unit. Accommodation can be made for an existing member purchasing an adjacent dwelling or unit.

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

17. Water-containing or water-producing appliances, e.g. clothes washing machines, hot water heaters, central air conditioning systems, situated above a finished area must have a properly installed drip pan with an external drain line. Under certain circumstances, such as a nicely finished first floor or basement, a drip pan and external drain line may be required on a lower level at the discretion of the agent/underwriter.
 - a. All washing machines must be installed with stainless steel anti-burst hoses regardless of location.
 - b. Refrigerator icemaker must have a flexible anti-burst supply line.
 - c. Hot water heaters located above any finished area must have an automatic shut-off valve properly installed in a drip/drain pan under the heater.
18. Dwelling to be insured for new members of the Society must not be under construction or under major renovation at the requested inception date of coverage. Coverage can be provided upon completion of initial construction or renovation and upon occupancy of the subject property.

For insured members of the Society, a new primary or secondary residence either under construction or under renovation may be insured if all other underwriting requirements are satisfied. In order for residences under construction to be eligible for coverage, it must be under contract with a qualified general contractor and a completion date estimate must be within a reasonable period of time.
19. Dwelling must have an approved roof. Dwelling with an asbestos roof, or a built-up roof or rubber or synthetic membrane roof situated over a finished living area is ineligible for coverage as new business. Roofs with less than seven years of useful life are not eligible. Current assureds purchasing a new location and current locations can be considered provided the flat roof area over a finished living area is less than 500 square feet. If a flat roof is in excess of 500 square feet a roof premium surcharge will apply. (Currently insured property with an asbestos roof may continue to be insured for the current owner only but subject to satisfactory experience and condition of property). Flat or wood roofs must be inspected by, and a verification of life expectancy and good condition, must be provided by a roofing contractor. For current assureds, a roof with less than seven years of useful life can be insured with the addition of a roof surcharge. Along with the surcharge, a roof in poor condition will need to be replaced.
20. Roofs with solar panels are not eligible for coverage for new members. For a current assured, we may consider solar panels with the addition of a roof surcharge and an increased deductible, depending on the number of panels and whether they are located on the dwelling or another structure.
21. Dwelling must not have more than one supplemental heating source. A surcharge will apply to a freestanding wood, gas or pellet stove.
22. Dwelling must have proper deadbolt locks on all exterior doors.
23. Dwelling must not have an excessive exposure to damage from trees surrounding or limbs overhanging the dwelling's roof.
24. Dwelling exposed to tidal flood waters must have appropriate flood insurance from the National Flood Insurance Program.
25. Dwelling shall not have trampolines, tree houses over 4 feet above ground level, skate ramps, half pipes or rails present on the premises.

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

26. Physical condition of other structures on the premises must be comparable to main dwelling.
27. Subject to underwriting approval, a risk with more than 2 dogs (but less than 5 dogs) in Resident Household is permitted. Risks with more than 4 dogs are prohibited. A premium surcharge will apply when there are more than 2 dogs.
28. Dwelling may not have a home-based office involving business invitees and/or employees. Generally, business operations should be insured by a business insurance policy.
29. Form MAS-17 Scheduled Personal Property cannot be endorsed on Form HO4 for a policyholder living in an eldercare, assisted living or nursing home; however, this restriction does not apply to facilities providing only housekeeping services.
30. Dwelling must not have any asbestos tile flooring (9" x 9" or 8" x 8" squares). Dwelling with a sleeper floor system in a basement with floor drain is ineligible.
31. Liability coverage cannot be extended to out of state seasonal rental property that is managed by a real estate firm and/or involves weekly or monthly rental.
32. Standalone or townhouse style condominiums requiring an HO-3 contract (including both dwelling and contents coverage) are eligible. Exception: units located in buildings containing five (5) or more floors are ineligible.
33. The Society will insure new condominium units (HO6) for current assureds only. These units must be in either a townhouse style or in a multiple story condominium complex. The unit cannot be located above the 4th floor (not including parking level.) Condominium units may be covered using either an HO-6 or an HO-3 form. The HO-3 form should only be used when the Unit Owners Association requires coverage for the exterior of the condominium unit.
34. Dwellings with Quest pipe are ineligible for new coverage with the Society. If it is determined that a current assured's residence has quest pipe the assured must agree to replace all quest pipe before the next policy anniversary or we will retire from the risk.
35. Applicants who have filed for bankruptcy, for other than medical reasons, within the past five years are ineligible. Applicants who have filed for bankruptcy for medical reasons may be referred to underwriting management for consideration.
36. Applicants who have owned residential property within the past 36 months must have had verifiable insurance coverage for that residential property.

B. POLICY ISSUE AND PREMIUM BILLING PROCEDURE

The Society will consider applications for assurance submitted by its agents for qualified property situated in authorized territories.

Every new risk submitted to the Society must be physically inspected by the writing agent in accordance with the requirements of General Rule No. 22. The application for assurance shall be completed in its entirety and shall be signed by the applicants for assurance and the agent submitting the business. Applications should be done through the Society's website.

After receipt of the application for assurance the premium charges will be audited and any discrepancies will be resolved directly with the writing agency. Upon approval of the

application at the home office, a perpetual policy will be prepared. The policy and premium invoice will be sent directly to the named assureds. In the event the original policy is to be held by a mortgagee, a complete copy of the original policy shall be furnished to the assureds.

After payment of an initial 12 month premium a policy thereafter will be subject to annual assessments established by the Society's Board of Directors. An annual assessment invoice will be sent from the Society's home office at least 30 days prior to a policy's annual billing anniversary. Assessment notices will be sent according to instructions provided to the Society giving due regard to the interests of mortgagees in such insurance. (Also see General Rule No.'s 9, 10 and 11).

All assessment notices are sent directly to the policyholder and assessments are paid directly to the home office. Agencies will receive a download of assessment notices and policy declarations for their records.

Agencies do not have the authority to issue binders on behalf of the Society for new business submissions. If the need for a binder arises, please call the home office.

Agencies are authorized to receive and accept increases or changes in coverage on any in force business. Change endorsements affecting in force business should be submitted to the Society on the day of execution or before the date on which the change in coverage is to become effective.

C. GENERAL RULES FOR HOMEOWNERS POLICIES

The homeowners policy provides property and casualty coverages, using the forms and endorsements specified herein. This Manual contains the rules, classifications and premiums governing the writing of the homeowners policy. The rules, rates, forms and endorsements adopted by the Society for each coverage shall govern in all cases not specifically provided for herein.

1. POLICY FORMS AND DESCRIPTION OF COVERAGE

The Society issues the following homeowners policy forms:

MAS-3:	HO3-SPECIAL FORM
MAS-4:	HO4-CONTENTS BROAD FORM
MAS-6:	HO6-UNIT-OWNERS FORM

Refer to the individual forms for exact coverages provided and the policy exclusions and conditions.

2. ELIGIBILITY

In addition to the underwriting requirements set forth in Section III.A of this manual, the following shall also apply:

a. FORM HO-3 - A homeowners policy may be issued:

(1) to the owner-occupant(s) of a dwelling which is used exclusively for private residential purposes (except as provided in General Rule 2.e) and contains not more than 1 family and with not more than 2 boarders or roomers; or

- (2) to the purchaser-occupant(s) who has entered into a long term Installment contract for the purchase of the dwelling and who occupied the dwelling but to who title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Endorsement MAS-8 Additional Assured; or
 - (3) to the occupant of a currently insured dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement MAS-8 Additional Assured; or
 - (4) to the owner - occupant of a condominium or townhouse when Dwelling coverage is required. Loss assessment coverage – Increased limit Form MAS-32 should be added to the policy.
 - (5) to cover dwellings of existing members of the society in course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.
- b. FORM HO-4 - A homeowners policy may be issued only to a current assured of the Society or a member of a current assureds family who is:
- (1) the tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
 - (2) the owner-occupant(s) of a dwelling or of a building containing an apartment not otherwise eligible for a homeowners policy under General Rule 2.a. above, provided the residence premises occupied by the assured is used exclusively for residential purposes (except as provided in General Rule 2.e) and is not occupied by more than two boarders or roomers.
- c. FORM HO-6 - A homeowners policy may be issued only to a current assured of the Society or a member of a current assureds family who is the owner- occupant of a condominium unit which is used exclusively for residential purposes (except as provided in General Rule 2.e), and is not occupied by more than two boarders or roomers. Condominium units located above the 4th floor in a multi-story condominium complex are ineligible for coverage.
- d. It is permissible to extend the homeowners policy, without additional premium charge, to cover the interest of a non-occupant joint owner(s) in the building(s) and for premises liability. Any such additional assured shall be required to be a signatory on the application for assurance.

Attach Endorsement

- MAS-8: Additional Assured
- MAS-8L: Liability Coverage (for municipalities, etc.)
- Mas-57: Additional Assured Extended (Includes Cov C)

- e. Office, professional, private school and studio occupancies can be considered provided:
- (1) the premises are occupied principally for residential purposes;
 - (2) there is no other business conducted on the premises; and
 - (3) the nature of the occupancy is acceptable to the Society.

3. MANDATORY COVERAGES

- a. It is mandatory that insurance be written for all coverages provided under both Property and Liability Sections of the homeowners policy except when otherwise specifically approved by the Society.
- b. The Liability Section of the policy requires coverage for the following exposures and the additional premium developed from this Manual must be charged when such exposures exist:
 - (1) all additional residence premises where the Named Assured or spouse maintain a residence, other than business or farm properties for which no coverage is provided;
 - (2) all residence employees of the Named Assured or spouse not covered or not required to be covered by Workmen's Compensation Insurance (charge required for residence employees in excess of two); and
 - (3) Office, professional, private school or studio occupancies by the Assured on residential premises of the Named Assured, unless adequately insured by a business insurance policy.

4. POLICY LIMITS

a. The required minimum limits under the homeowners policy are as follows:

<u>Property Coverages</u>	<u>HO-3</u>
A. Dwelling-Minimum Limit	\$100,000
B. Other Structures	10% of limit on Dwelling
C. Personal Property	50% of limit on Dwelling
D. Loss of Use	20% of limit on Dwelling
	<u>HO-4 and HO-6</u>
A. Residence-Minimum	HO-4 – 10% of Coverage C-for Tenant's Improvements HO-6 - \$1,000 in policy form
B. Related Private Structures	NOT APPLICABLE
C. Personal Property	SEE RULES
D. Loss of Use	HO-4 - 20% of Cov. C HO-6 - 40% of Cov. C
	<u>ALL FORMS - MINIMUM LIMIT</u>
E. Personal Liability	\$300,000 Each Occurrence
F. Medical Payments to Others	\$ 2,000 Each Person \$25,000 Each Accident

- b. ALL FORMS - The limit for Coverages C or D (Property) and E or F (Liability) may be increased. See General Rule 7.
- c. FORM HO3 - Under Coverage B of Property an additional amount of insurance may be written on a specific structure.
- d. FORM HO3 - Maximum amount insured for any one risk is subject to approval by the Society.
- e. FORM HO6 - The Coverage A limit may be increased. See Unit-Owners Coverage A.

5. DEDUCTIBLE

The standard policy deductible is applicable to any property loss except Coverage D and the Fire Department Service charge provided under additional coverages. Effective with 2011 policy anniversaries, the standard policy deductible increases as the Coverage A-Residence amount of insurance increases as set forth in Form MAS-92 and below:

Coverage A-Residence Amount of Insurance	Deductible
Equal to or less than \$1,000,000	\$1,000
Greater than \$1,000,000 but equal to or less than \$1,500,000	\$1,500
Greater than \$1,500,000 but equal to or less than \$2,000,000	\$2,000
Greater than \$2,000,000 but equal to or less than \$3,000,000	\$3,000
Greater than \$3,000,000	\$5,000

SPECIAL WINDSTORM OR HAIL DEDUCTIBLE (FORM MAS-94)

Effective with 2011 policy anniversaries the Named Windstorm Deductible (Form MAS-62) has been replaced by Form MAS-94 Special Windstorm or Hail Deductible, which applies a varying percentage deductible to all windstorm or hail losses based on the geographical location of a subject property as follows:

If the "assured premises" is located in the City of Franklin, Newport News or Suffolk, or in the County of Essex, Gloucester, Isle of Wight, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Southampton, Westmoreland or York, "we" pay only that part of the loss caused directly or indirectly by windstorm or hail, including loss caused by wind driven rain, which is more than 1% of the "limit" that applies to Coverage A-Residence.

If the "assured premises" is located in the City of Chesapeake, Hampton, Norfolk, Poquoson, or Portsmouth, "we" pay only that part of the loss caused directly or indirectly by windstorm or hail, including loss caused by wind driven rain, which is more than 2% of the "limit" that applies to Coverage A--Residence.

If the "assured premises" is located in the City of Virginia Beach, or in the County of Accomack or Northampton, "we" pay only that part of the loss caused directly or indirectly by windstorm or hail, including loss caused by wind driven rain, which is more than 3% of the "limit" that applies to Coverage A--Residence.

1% WINDSTORM OR HAIL DEDUCTIBLE (FORM MAS-63)

This Optional endorsement is available to mitigate windstorm exposure from trees, etc. in areas not otherwise subject to the percentage deductibles required by Form MAS-94 Special Windstorm or Hail Deductible.

WATER DAMAGE-SEWERS, DRAINS AND SUMPS (MAS-65)

Since 2005 all homeowner policies are endorsed with MAS-65 which has a limit of \$5,000 for water damage from sewers, drains and sumps subject to a \$1,500 deductible.

A special \$1,500, \$2,000, \$2,500, \$3,000, \$5,000 or \$10,000 policy deductible clause may be applied by Underwriting based on a policy's claim/loss history or other exposures or hazards on the account.

6. OPTIONAL COVERAGES

a. *Property Coverages*

The coverages may be amended as follows:

(1) *Loss of Use - Increased Limit*

The limit of liability under Coverage D may be increased at the additional premium of:

FORM HO3	\$2.00 per \$1,000
FORM HO4 or HO6	\$3.00 per \$1,000

(2) *Related Private Structures - Increased Limit*

The limit of liability under Coverage B may be increased at the additional premium of \$2.00 per \$1,000 of insurance.

(3) *Related Private Structures - Rented to Others*

The homeowners policy may be endorsed to provide coverage for other structures on the described premises, rented or held for rental to others, provided such structure is used for residential purposes and is occupied by no more than two families or more than two roomers or boarders. The additional premium for this coverage shall be \$3.00 per \$1,000 of insurance.

Attach Endorsement MAS-12 – Related Private Structures- Rented to Others

(4) *Related Private Structures- Office or Studio Occupancy*

The homeowner policy may be endorsed to provide coverage for other structures on the described premises used for "business" purposes.

The additional premium for this coverage shall be \$3.00 per \$1,000 of insurance. Corresponding liability coverage will apply.

Attach Endorsement MAS-9 Office or Studio Occupancy

(5) *Scheduled Related Private Structures – Away from the Premises*

The homeowner policy may be endorsed to provide coverage for structures away from the assured premises. The structures must be owned by the assured and used in connection with the assured premises. The additional premium for this coverage shall be \$3.00 per \$1,000 of insurance.

Attach Endorsement MAS-61 – Scheduled Related Private Structures-Away From Premises

(6) *Credit Card Forgery and Counterfeit Money Coverage Increased Limit*

All Homeowners Forms extended to include up to \$2,500 for loss related to Credit Card, Fund Transfer Card, Forgery and Counterfeit Money. This limit of liability for all Forms may be increased by \$2,500 for a total of \$5,000 for an additional premium of \$3.00.

Attach Endorsement MAS-13 Credit Card Forgery and Counterfeit Money Coverage - Increased Limit

(7) Earthquake

The homeowners policy may be endorsed to provide earthquake and volcanic eruption coverage at the following premium for each \$1,000 of insurance:

	<u>100% Frame</u>	<u>All Other</u>	<u>Applied To</u>
FORM HO3	\$0.40	\$0.65	Coverage A Limit
FORM HO4/HO6	\$0.20	\$0.55	Coverage C Limit

NOTE: Exterior Masonry Veneer – If any masonry veneer is present rate as “All Other”.

Earthquake coverage is subject to an annual assessment of 80%.

Earthquake deductible is 2% of the Limit of Insurance

Attach Endorsement MAS-14 - Earthquake Coverage

(8) Increased Limits of Special Classes - Coverage C

Increased limits are available on the following classes of Coverage C - Personal Property at the following premiums:

1. \$250 on money, bank notes, bullion, gold other than goldware and goldplate ware, silver other than silverware and silver-plated ware platinum and numismatic property - may be increased to a maximum of \$1,000 at a premium of \$6.00 per \$100 of insurance.
2. \$1,000 on securities, stamps, letters of credit, notes other than bank notes, tickets, accounts, deeds, evidence of debt, passports, manuscripts and personal data. This special “limit” applies regardless of the medium on which these items exist, and includes the cost of research or other expenses necessary to reproduce, replace, or restore the item or the data - may be increased to a maximum of \$2,000 at a premium of \$4.00 per \$100 of insurance.
3. \$2,500 on jewelry, watches, furs, precious and semi-precious stones for loss by theft - may be increased to a maximum of \$5,000, but not exceeding \$2,500 for any one article, at a premium of \$2.00 per \$100 of insurance.
4. \$2,500 on guns for loss by theft - may be increased to a maximum of \$7,500 at a premium of \$3.00 per \$100 of insurance.

Attach Endorsement MAS-15 - Coverage C Higher Limits on Certain Property

(9) *Unscheduled Personal Property*

- (a) Increased Actual Cash Value Limit - HO3 – Unscheduled Personal Property is no longer available on an actual cash value basis.
- (b) Replacement Value on Personal Property - Replacement cost coverage is provided for personal property under Coverage C when:
 - (i) Dwelling (Coverage A) is insured for not less than 80% of estimated replacement cost, and
 - (ii) Coverage C is increased from 50% of Coverage A to 70% of Coverage A.

When replacement value on personal property is added the additional premium shall be as follows:

- (iii) FORM HO3 - premium of \$3.00 per \$1,000 resulting from the increase in Coverage C from 50% to 70% of Coverage A.
- (iv) FORMS HO4 and HO6 - The premium shall be developed by applying the factor .25 to the Base Premium determined from Key Factors and Key Premiums.
- (v) A minimum premium of \$25.00 shall apply to this coverage.

Attach MAS-18 – Replacement Value on Personal Property

- (c) Increased Limit - Replacement Value on Personal Property - Form HO3 - the limit of liability for Coverage C may be increased above 70% of Coverage A at an additional premium of \$1.00 per \$1,000.

(10) *Scheduled Personal Property Coverage*

Coverage may be provided against all risks of physical loss with certain exceptions on scheduled personal property subject to the rules and rates adopted by the Society. Scheduled property values must be supported by a signed appraisal from a competent, independent appraiser which is dated not more than two years prior to the effective date of the coverage. Appraisal must be in US currency and done within the United States of America. The Society reserves the right to require a second appraisal if, in its judgement, there is some question about the values stated in the appraisal submitted. The Society also reserves the right to require a resume of an appraiser's qualifications and experience.

Appraisals must be prepared on printed letterhead of the appraiser or on a suitable pre-printed appraisal form with adequate identification of the appraiser, including name, address and telephone number.

(a) Reappraisals Required

The value of scheduled items should be reappraised at least every five years in order to assure that a proper amount of insurance is being maintained; however, periodic reappraisals are not mandatory, although the Society reserves the right to require a reappraisal in order to continue coverage.

(b) Deletion of an Insured Item

An item previously insured on a Personal Articles Floater may be deleted from the scheduled list of items insured by a written request. Any premium or assessment refund shall be computed in accordance with General Rule 18.

(c) Requirements Applicable to Appraisals

The Society will insure only specific items of personal property. That is, it will not insure a percentage of the value of a list of property items. Items should be insured to 100% of their appraised value. If an item(s) is valued at more than the underwriting limits adopted by the Society for a particular class of property, we will be unable to insure the item(s).

For the purpose of scheduled property, the manufacturer's suggested retail price shall be considered to be the insurable value of sterling silver flatware and hollowware which is still being manufactured. Furs, cameras, musical instruments and guns must be insured for Actual Cash Value unless the homeowners policy has been endorsed to provide Replacement Value on Personal Property (MAS-18), in which case the foregoing property may be insured for replacement value. In addition to the general requirements reflected herein, acceptable appraisals must also:

- (i) Include an adequate description of the property appraised which is in sufficient detail to make a reasonable attempt to secure a comparable replacement for the described property. In the case of precious and semi-precious stones the appraisal description of any jewelry item valued at more than \$2,500 must include the number of stone(s), shape, carat weight, cut, color and clarity using the grading systems of the American Gem Society (AGS) or the Gemological Institute of America (GIA) or some comparable grading system shown in a comparative relationship to the AGS or GIA grading systems;
- (ii) be legible, preferably typewritten, in order to avoid discrepancies which may result from illegible handwriting;
- (iii) reflect the named assured, or an assured under the policy, which establishes proper ownership of the subject property; and
- (iv) reflect the value of the item in its actual condition or state at the time of its appraisal. The Society will not insure the hypothetical value of an item, e.g. value without existing flaws, value if a stone is recut, etc.

(d) Requirements Applicable to Sales Receipts/Tickets

Sales receipts for new purchases may be accepted by the Society provided the receipts:

- (i) are dated within 1 year of the effective date of coverage;
- (ii) are for items of \$2500 in value or less.
- (ii) are legible, with an adequate description of the property. (Many carbon copies of sales tickets are unsatisfactory).
- (iii) reflect the suggested retail price of the item if the item has been purchased on sale or at a discount in order to assure that replacement with a comparable item can be made when such items are not on sale;
- (iv) reflect purchase by the named assured or an assured under the policy. (Sales receipts reflecting purchases by one party to be a gift to an assured are not acceptable).
- (v) If receipts are used frequently, they must be summarized into a listed appraisal form within 3 years.

(e) Scheduled Personal Property - Premiums and Underwriting Limits

When personal property is scheduled, an additional premium for the respective classifications of property shall be determined from Appendix Table I.

Special Notes:

A. All items considered for insurance under a scheduled personal property coverage endorsement are subject to the Society's underwriting judgment relative to their acceptability or eligibility for coverage.

B. Single items of jewelry or furs exceeding the single item limit may be insured up to a maximum of \$50,000, as High Valued Scheduled Personal Property at agreed upon rates.

(f) Scheduled Personal Property Deductible

At the discretion of Underwriting, Special Amendatory Endorsement – Scheduled Personal Property Coverage Deductible (MAS-52/SPD) may be added to apply the homeowners policy deductible on a per occurrence basis to all classes of personal property scheduled under the Scheduled Property Endorsement (Form MAS 17).

(11) Theft Coverage Extension

All homeowner's forms provide extended theft coverage at no additional premium.

The limit of liability for extended theft coverage is 10% of the limit of liability for Coverage C, or \$2,500, whichever is greater.

(12) Loss Caused By Water Which Backs Up Through Sewers or Drains

Since 2005, all homeowner policies are endorsed with Form MAS-64, Exclusionary Endorsement for water damage from sewers, drains and sumps. At the same time Form MAS-65 is endorsed onto the policy providing \$5,000 for direct physical loss to covered property caused by water or sewage which backs up through sewers, drains and sumps. This coverage is subject to a separate special \$1,500 deductible except for coverage D.

The coverage limit of \$5,000 provided by Form MAS-65 Water Damage-Sewers, Drains and Sumps may be increased.

The rate is \$5.00 for each additional \$1,000 of coverage desired.

The additional premium for increased limit for water damage-drains and sumps is subject to 80% assessment at future assessment billings.

Attach MAS-67 Water Damage-Sewer, Drains and Sumps Increased Limit

(13) Loss Assessment Coverage - Increased Limit

All homeowner forms provide \$1,000 of loss assessment coverage. This limit may be increased for an additional premium of \$0.60 per \$1,000 of insurance up to a maximum of \$20,000.

Attach Endorsement MAS-32 - Loss Assessment Coverage - Increased Limit

(14) Unit-Owners Coverage A-Increased Limit-Form HO6

Form HO6 provides \$1,000 of Coverage A. When this limit is increased the premium shall be \$3.00 per \$1,000 of insurance.

(15) Unit-Owners Coverage A Special Coverage-Form HO6

The Property Coverage perils insured against under Form HO6 may be broadened for Coverage A to cover additional risks of loss for an additional premium of \$1.00 per \$1,000 of Coverage A insurance.

Attach Endorsement MAS-30 Unit-Owners Coverage A Special Coverage Form HO6

(16) Wood Shingle Roofs

Structures built with wood shingle (cedar shake) roofs require an extra premium of \$20.00. No special annual assessment is applicable to the existence of a wood roof. All other underwriting and eligibility requirements are still applicable.

(17) Inflation Guard Protection Endorsement

The homeowners forms can be endorsed with the Inflation Guard Protection Endorsement (Form MAS-28) for an additional premium of \$20.00. This endorsement authorizes the Society to adjust the Property Limits on each anniversary by an amount estimated to represent the annual increase in residential construction costs. This annual adjustment is made simultaneously with the annual assessment. No additional annual premium is charged on the inflation guard increase but rather is reflected in the annual assessment based on the new policy premium after adjustment.

Attach Endorsement MAS-28 - Inflation Guard Protection Endorsement

(18) Expanded Replacement Cost Terms

All homeowner policies are endorsed with MAS-66 Expanded Replacement Cost Terms. This endorsement applies only to the "residence" covered under Coverage A.

When a covered loss exceeds the Coverage A "limit" shown on the declarations this endorsement deletes that "limit" and replaces it with 120% of the Coverage A "limit" subject to the deductible or other limitations that apply.

The Expanded Replacement Cost Terms only apply when the assured has notified the company within 45 days of completion of any additions or alterations to or remodeling of the "residence" covered under Coverage A that increases its replacement cost by \$5,000 or more and the company is permitted to adjust the Coverage A "limit" during the policy period based on inflation, revised property valuations and any increase in replacement due to additions, alterations or remodeling.

Effective with 2011 policy anniversaries the policy deductible, other than any applicable special deductible required under the provisions of Form MAS-94 Special Windstorm or Hail Deductible, shall be waived when the Expanded Replacement Cost Terms Endorsement is applicable to a loss.

Attach Endorsement MAS-66 – Expanded Replacement Cost Terms

(19) Identity Recovery Coverage

All homeowner policies provide coverage for: Identity theft insurance expense

reimbursement up to \$15,000, subject to a \$250 deductible; Identity recovery case manager service; Identity recovery help line and Identity theft customer guide.

Attach Endorsement MAS-68 (Ed. 2/1/2011) – Identity Recovery Coverage

(20) Equipment Breakdown Coverage

All homeowner policies can be endorsed to provide coverage for the breakdown of covered equipment for a limit of \$50,000, subject to the policy deductible. Effective with 2011 policy anniversaries covered equipment means property covered under Coverage A–Residence, Coverage B–Related Private Structures or Coverage C–Personal Property that generates, transmits or utilizes energy; or which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

Premium: \$50.00 for residence/dwelling limit less than \$500,000
\$100.00 for residence/dwelling limit \$500,000 or more

Subject to up to 80% assessment

Attach MAS-71 Equipment Breakdown Coverage

(21) Residence Under Construction-Theft (HO3)

Coverage can be provided by endorsement for theft or attempted theft in or to a residence being built or a newly constructed residence before it is occupied of building materials and supplies used in the course of construction of the residence.

Coverage under this endorsement will apply for the shortest of the following time periods:

1. Until the property is occupied as a dwelling, or
2. Until twelve months following the inception date of the policy

All other eligibility requirements apply.

Coverage limit must be at least 25% of Coverage A limit

Premium \$3.00 per each \$1,000

Attached MAS-73 (7/1/2008) Residence Under Construction-Theft

(22) Supplemental Stove Extra Premium

An extra premium of \$100.00 is applicable when risk has a freestanding gas, wood or pellet stove. Evidence of proper installation must be provided. A special assessment (up to 80%) will be applicable to existence of a supplemental freestanding stove.

(23) Canine (Dog) Limitation and Extra Premium

An extra premium of \$100.00 is applicable when a risk has more than 2 dogs but less than 5 dogs at the residence premises subject to approval by underwriter. Approval by underwriter is based upon history of dogs, size (weight) and breed of dog(s). A special assessment (up to 80%) will be applicable to existence of more than 2 dogs at the residence premises.

(24) Roof Premium

An extra premium of \$250 is applicable when risk has a flat roof with an area greater than 500 square feet, an expected life of less than 7 years, or solar panels. For flat roofs, evidence of the current condition of the roof must be provided which must be acceptable to the underwriter, and the assured must agree to have the roof inspected no less frequently than annually.

A special assessment (up to 80%) will be applicable to a roof insured under this rule.

(25) Collateralization of Residence

We may retire from a risk on its policy anniversary date if the assured's property has been pledged as collateral for a business related loan.

The assured can be reconsidered for coverage with the Society as a qualified member (i.e. subject to 50% of policy premium) when the subject property has been released fully as collateral for the business related loan.

In lieu of cancellation, if all other dealings with the assured have been satisfactory, we will accept 80% of the policy premium annually in recognition of the increased moral risk associated with the collateralization of the assured property for a business related loan.

b. Liability Coverages

The limit of liability for Coverages E or F may be increased at the additional premium developed from Increased Limits Tables.

The following liability coverages may also be added to the homeowners policy:

(1) Additional Residence Premises-Occupied by Assured

Coverage may be provided for an additional residence premises owned and occupied by the named assured or resident spouse, at the additional premium developed from Increased Limit Tables. The additional residence must meet all liability underwriting guidelines.

Attach Endorsement MAS-22 - Additional Residence Premises Occupied by Assured

(2) Additional Residence Premises - Rented to Others

Coverage may be provided for not more than three additional one-family or two-family residence premises, rented to others, which are owned by the named assured or resident spouse, at the additional premium developed from Increased Limit Tables. The residence must meet all liability underwriting guidelines.

Attach Endorsement MAS-23 - Additional Residence Premises - Rented to Others

(3) Office, Professional, Private School or Studio Occupancy

When the assured maintains an office, professional, private school or studio occupancy on the premises or in a related private structure, the additional liability premium shall be developed from Increased Limit Tables plus any required increase in the Coverage C Limit. Generally, the assured should have a business insurance policy in place which will provide primary coverage.

Attach Endorsement MAS-9 - Office or Studio Occupancy

Rule 4A: Office

Rule 4B: Studio

(4) Outboard Motors and Watercraft

Coverage may be provided for an outboard motor or combination of outboard motors of more than 25 total horsepower or for watercraft not covered under the homeowners policy at the additional premium developed from Increased Limit Tables.

Attach Endorsement MAS-26 - Watercraft

NOTES:

(a) Where two or more outboard motors are regularly used together in connection with any single watercraft owned by the assured, the horsepower of all such outboards shall be accumulated for rating purposes. Coverage is subject to underwriting manager approval, as most boats are more adequately insured by a separate watercraft policy.

(b) Sailboats 26 to 40 feet, inclusive, equipped with auxiliary power are classified as inboard motor boats.

(c) For watercraft not described in the Increased Limit Tables, coverage is not permitted under the homeowners policy.

(d) Liability shall not be extended on watercraft otherwise excluded for leased or rented watercraft.

(5) Business Activities

Coverage may be provided for the liability of an assured arising out of business activities, other than a business of which the Assured is sole owner or a partner, at the additional premium developed from the Increased Limit Tables. Coverage is subject to underwriting manager approval, as most businesses are more adequately insured by a separate business policy.

Attach Endorsement MAS-25 - Business Activities

(6) Incidental Farming

Coverage may be provided for the liability of an assured arising out of incidental farming activities at a primary residence. Incidental farming would be the farming of garden plots, limited cutting and bailing of fields, care of a few animals, e.g. horses, cows, goats, chickens, etc.

Attach Endorsement MAS-60 - Incidental Farming

(7) Domestic (Residence) Employees

Coverage for liability arising out of injuries sustained by domestic employees of an assured not covered or not required to be covered by Workers' compensation Insurance is included under the liability of the policy. A charge is required for each domestic employee in excess of two (2), except:

Employees working less than half of the customary full time: or

Employees to whom the policy's Coverage E exclusion for bodily injury to persons covered or required to be covered by workers' compensation insurance applies.

The additional premium shall be developed from the Increase Limit Tables

(8) Contracts Coverage Increased Limits (HO4 & HO6 & HO3 Secondary)

Coverage for the liability of an assured arising from a written contract that directly relates to the ownership, maintenance, or use of an assured premises is limited to \$1,000. This limit may be increased for the additional premium of \$5.00 per \$1000 of additional coverage up to a maximum limit of \$20,000.

This coverage is subject to an 80% assessment.

8. COVERAGE FOR CURRENT ASSURED VACANT OR NON-OCCUPIED DWELLINGS

As a general rule the Society does not insure vacant or non-occupied dwellings; however, the Society will provide such coverage to its members under certain circumstances.

Coverage will continue during the policy year in which the Society becomes aware that a homeowner property is vacant or unoccupied (and is likely to remain vacant or unoccupied) unless otherwise determined necessary in the judgement of the underwriting department. At that time, the Society will add the vacancy or non-occupancy endorsement (MAS-21) and make an annual premium charge of \$250. Policy will then be cancelled at next policy anniversary year.

If the property is otherwise acceptable to the underwriting department, the Society will consider writing a dwelling property policy (DP-2) for twelve (12) months only with a vacancy or non-occupancy endorsement (MAS-21) and with payment of 100% of the policy premium.

A properly executed DP policy application is required to obtain this extension of coverage. All extensions of coverage for vacant or non-occupied dwellings must be approved by the home office before coverage is provided. Coverage may be provided for no more than twelve months following eligibility.

9. COVERAGE FOR SECONDARY RESIDENCES

Secondary residences, e.g. resort, summer or vacation homes, of our homeowners policyholders may be insured provided they are located within the State of Virginia and otherwise meet all underwriting requirements. Coverage will be afforded by the issuance of a separate homeowners policy on the secondary residence.

Underwriting requirements are as follows:

- i. All other rules of the Homeowners Policy Manual shall be applicable.
- ii. Liability coverages shall be extended from the Society's policy covering the primary residence.
- iii. Applications shall be submitted to the home office for rating and approval.
- iv. Applications shall be supported by an inspection report and photograph(s) of the subject property. If, because of the location of the property, the Society's agent cannot personally inspect the property, the Society will bear the cost of an independent inspection by an organization designated by the Society.
- v. The Society will not insure freestanding residences within 2,500 feet of the coast line as defined by the Society. The coast line is defined as Ocean View Ave, including a straight line from Ocean View Ave to Shore Drive at Lynnhaven Inlet, and continuing on Shore Drive to Atlantic Ave and then continuing south on a straight line to the Virginia border. All other properties with waterfront exposure shall be considered on the basis of the individual risk characteristics. Risks located in Accomack and Northampton Counties are ineligible for coverage with the Society.
- vi. With respect to the rental of secondary residences, the Society will insure secondary residences if they are only occasionally rented. For this purpose occasionally rented shall mean:

rentals which occur other than at predetermined dates each year and which are not solicited by advertisements, real estate agencies or otherwise, but in no event exceeding 30 days per year.
- vii. Preliminary applications must be submitted to the home office at least 60 days in advance of the proposed effective date and must be accompanied by a copy of the declarations page from the policy presently insuring the subject property and a directions map to the exact location of the property.
- viii. The minimum dwelling limit for secondary residences shall be \$30,000 and the maximum dwelling limit for secondary residence is subject to approval by the home office.
- ix. Annual assessments for secondary residences levied by the Board may vary from annual assessments levied on other classes of risks.

10. REQUIREMENTS FOR SUBMISSION OF APPLICATIONS FOR ASSURANCE/CHANGE ENDORSEMENT REQUESTS

All policies are subject to direct bill.

UNLESS OTHERWISE APPROVED BY THE HOME OFFICE, ALL APPLICATIONS FOR NEW BUSINESS MUST BE RECEIVED IN THE HOME OFFICE AT LEAST FIVE DAYS IN ADVANCE OF THE EFFECTIVE DATE OF COVERAGE.

THE APPLICATION MUST BE RECEIVED PRIOR THE EXPIRATION DATE OF THE BINDER. FAILURE TO RECEIVE THE APPLICATION WILL RESULT IN CANCELLATION OF THE RISK.

All applications for assurance must be filled out completely and signed by an agent knowledgeable about the subject property and must be accompanied by:

- i. E2Value Home Survey Report
- ii. E2Value Worksheet and Replacement Cost Estimator
Full residential for HO-3, Full A&A for HO-6
- iii. Minimum of 10 photographs, including all sides of exterior and existing other structures. Interior photos should include kitchen, bathrooms, all living areas and any special architectural features.

New business submitted through an independent agency:

Once processed by the home office a complete policy (declarations, policy forms and premium invoice) will be forwarded directly to the assured, and downloaded to the agency's management system. If the agency has already collected premium, attach payment to the invoice and return to the home office. (It is not a requirement that checks be attached to new applications upon submitting to Underwriting, however, premium is due effective the inception date of the policy.)

Change Endorsement Request for existing business:

With respect to changes in coverage or information on existing policies, a completed Change Endorsement Request must be completed. Independent agents may use the ACORD Change Request form.

Change endorsement requests must be submitted to the home office on the date of execution or before the date on which the change in coverage is to become effective. No coverage changes will be backdated more than 30 days.

Change Endorsement Requests can be used for any policy related instructions to the home office, such as, changes in coverage limits, change of mailing address, addition of or change in a personal articles floater policy, additional endorsements, deletion of endorsements, change of mortgagee, etc. When the request form is used only to add or delete an endorsement, you should describe the applicable change under "subject to the following forms and endorsements" and compute the additional premium or credit for the change requested.

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

The Change Endorsement Request form must be completed legibly and must be dated and signed by the agent who inspects the property or who approves the requested change in coverage or policyholder information.

Requests for increases in the dwelling coverage for existing risks must be accompanied by an updated replacement cost valuation/appraisal, current risk information sheet and photos. A new inspection of property should be done if the previous inspection is over 5 years old.

Once a change request is processed by the home office, a policy declaration page will be generated and sent to the assured along with a premium invoice for the pro rata premium due. The premium is to be mailed back to the home office. The independent agency will receive a copy of the policy declaration. The mortgage company will receive the change information from the home office.

Do not hesitate to call the home office if you need to request an exception to these requirements.

11. PERPETUAL HOMEOWNERS POLICY

The Society's homeowners policy is written on a perpetual basis only and so long as the assured retains his ownership in the property insured, the policy shall continue in full force and effect, unless cancelled as hereinafter provided.

The homeowners policy may be cancelled at any time by written request of the assured and may be cancelled by the Society in accordance with the provisions of the applicable policy form. A request to cancel must be signed by all named and additional assureds.

Every assured shall initially pay a premium determined from the Rules of this Manual. Thereafter, every assured shall pay annually an assessment upon such premium as determined by the Board of Directors. The amount of an annual assessment may not exceed two hundred percent of the policy premium. Every assured shall have paid a full twelve months premium as determined from this Manual before assessments established by the Board are applicable.

Once an assured has satisfied the full twelve month premium requirement additional premiums on any increases in insurance on that policy shall be charged through the end of the current anniversary year on a pro rata basis applied to the net additional annual premium for the increase, except that adjustments to Coverage A, other than inflation guard protection increases, shall be discounted by 50% pursuant to the requalification rule described in Section 23.e.

12. OTHER INSURANCE

- i. Other insurance on the described dwelling building is not permitted.
- ii. Credit for any such other insurance is not permitted.

13. INTERPOLATION OF PREMIUMS FOR POLICY AMOUNTS NOT SHOWN ON THE PREMIUM CHARTS

Premiums for limits of liability in excess of the minimums required, not shown in the premium charts, may be obtained by interpolation. (See Premium Rule 4.)

14. INCREASES IN POLICY LIMITS OR ADDITION OF COVERAGES

The policy limits may be increased or coverages may be added during the term of the policy and the additional premium shall be computed on a pro rata basis subject to all the rules of this Manual.

15. DEFINITION OF PRO RATA BASIS

For the purpose of these rules the pro rata basis means that premium or assessment charges, refunds or credits shall be determined on a daily pro rata basis and computed on a 365 day year based upon the effective date of the respective transaction.

16. WAIVER OF SMALL PREMIUM ADJUSTMENTS

An additional or return premium due, when a policy is endorsed after its inception, in an amount less than \$5.00 will be waived; however, a return premium must be refunded if requested by the assured.

17. CANCELLATIONS OR REDUCTIONS IN COVERAGES/REFUNDS OF UNEARNED PREMIUMS OR ASSESSMENTS

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.

If insurance is cancelled or reduced at the request of the Society or the assured, or in the event of foreclosure of the mortgage on the insured real property, the unearned premium shall be computed on a pro rata basis.

Refunds if applicable shall be made directly to the policyholders.

18. PREMIUM REVISIONS

A manual premium revision, meaning any revision of premium applicable to homeowners policies, shall be made in accordance with the following procedures:

- a. The effective date of such revision shall be announced by the Society.
- b. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- c. Unless otherwise provided at the time the premium revision becomes effective, the current forms and endorsements must apply to all items of the policy to which the premium revision applies.

19. TRANSFER OR ASSIGNMENT/RETENTION OF QUALIFIED STATUS

For purposes of satisfying the qualification requirements under General Rule 11., no homeowners policy issued by the Society can be transferred or assigned to another assured except:

- (1) in the event of death of a named co-assured, in which case the policy can be transferred to the surviving named assured by endorsement to the policy (Note: On property which was jointly owned by a surviving co-owner(s) who signed the current application for assurance, we can accept a letter from the survivor(s) advising us of this change in ownership and the date of death of decedent. A new declarations page should be prepared amending the assured(s) to new owner(s)),
- (2) where surviving children or a surviving spouse have interest in and live in said property, in which case the policy can be transferred by reapplication for insurance by the children or surviving spouse, and
- (3) in the event of transfer of property as a gift made solely for estate planning purposes, in which case the policy can be transferred by reapplication for insurance by the new owner.

Verification of eligibility to retain qualified status must be established for a new assured on property which is inherited or received by gift as the result of estate planning. Verification of eligibility may be accomplished by any of the following methods:

- a. Property which is inherited by an individual(s) who was not previously a named assured (or was not an additional assured who signed the current application) will require either:
 - (i) A new signed application for the permanent file but continuation of the same policy number, or
 - (ii) Where circumstances dictate, a new signed application and a complete new policy issued. A minimum policy rewrite premium of \$100.00 shall apply in these cases.

To establish qualification in the instance of inherited property we will accept any one of the following:

- a. Copy of the will of deceased as admitted to probate or recordation.
- b. Copy of an affidavit recorded in the circuit court listing the heirs of the estate.

- c. Letter from the new assured(s) advising us of the date on which they inherited the property and their interest in the property such as Sole Owner in Fee Simple, Life Estate, etc.

Care must be exercised in the event of inheritance to be sure that all heirs are properly included as assured(s) (named assured or additional assured). Reading of the will is the best way to establish the interest of the heir(s).

Our Limit for Property Coverages provides that the company will not be liable in any one loss for more than the interest of the assured. This provision indicates clearly the necessity that all assureds be included on the policy.

20. PROTECTION CLASS CHANGE

If there is a change in the Protection Class which affects the premium applicable to the described dwelling, the premium may be adjusted in accordance with the rules of this Manual.

21. INSPECTION OF INSURED DWELLINGS MANDATORY

- i. Before any dwelling can be considered for assurance with the Society, it shall be personally inspected by an authorized agent of the Society and the application for assurance thereon shall be executed and submitted to the Society's home office for approval. The purposes of the inspection are to assess the condition of the property at the date of application for assurance, to determine conformance with underwriting and eligibility requirements adopted by the Society and to avoid insuring unacceptable hazards. The inspection must include the interior of the dwelling with particular attention being given to furnace, workshop and basement areas and the adequacy and condition of electrical, plumbing and heating systems as well as any maintenance procedures followed.
- ii. EXCEPTION: With respect to increases in coverage on existing insured dwellings, a reinspection is recommended at least every fifth year. Increase in coverage between physical inspections may be approved by an authorized agent provided the agent has no knowledge of deterioration in the condition of the property or the existence of unacceptable hazards. However, if there is any doubt about the condition of a risk, the Society's policy is to reinspect the dwelling and its premises.

22. MISCELLANEOUS OPERATING RULES

a. Estates As Named Assureds

Legal counsel has previously advised that the "Estate of (deceased)" is not an appropriate entity to qualify as the named assured under a policy of the Society.

Property which is owned jointly, with rights of survivorship, passes automatically and the policy may usually be changed to the surviving named assured.

In case of death of a sole named assured the policy should remain in the deceased's name but mailed in care of (c/o) the personal representative of the estate. If requested the personal representative may be added to the policy

on a special Additional Assured-Residence Premises Endorsement (Form MAS-8).

Absent the qualification of a personal representative with respect to the subject property, the policy should either be endorsed to "Heirs of (deceased), Deceased" or preferably require proof of the actual heirs and name them as their interests may appear.

Upon receipt of knowledge of the existence of an Estate situation the occupancy of the property must be determined. Reference is made to General Rule No. 8. for consideration of vacancy or non-occupancy coverage.

b. **Trusts**

Property owned by a trust is eligible as a new risk to the Society.

A Trust can be endorsed as an additional assured (MAS-8) for a current assured when the assured is the trustee of the trust. The Society will need exact name of Trust, name of Trustee(s) and mail address.

c. **Return of Perpetual Policies**

Whenever one of the Society's policies is cancelled or is replaced by a new policy issued by the Society, please request that the cancelled or replaced policy be returned to the Society. We ask this to avoid potential confusion that may be caused by the perpetual nature of the Society's policies. As you know there is no stated expiration date in our perpetual policy and although we are confident that the Society's records would control as to the existence of coverage we prefer to remove from circulation as many inactive policies as possible.

Please note, however, that it is no longer mandatory that either the policy be returned or that a lost policy certificate be filed. However, some circumstances may dictate that the policy needs to be returned or a lost policy certificate needs to be filed. In any event, it is essential that the Agency and/or Society have in its files proper evidence of authorization to cancel an in force policy, e.g. signed letter from assured, proper notice of cancellation, lost policy release, etc.

d. **Advertising Not Permitted Without Approval by Home Office**

Advertising the Society or use of the Society's name for any public purpose is not permitted without approval from the home office.

e. **Homeowners Requalification Rule On New Residence**

Once a homeowner policyholder becomes qualified on a primary or secondary residence, they will remain qualified for any new primary or secondary residence they acquire to replace the former residence, provided however that such new residence otherwise meets all eligibility and underwriting requirements of the Society. In other words, the rule is "once qualified, always qualified" as long as the member's primary or secondary residence is continuously insured by the Society.

In place of premium credits being transferred from one policy to another, we now charge a discounted premium equal to fifty percent (50%) of a re-qualifying members' new policy premium. Each policy will therefore commence and terminate on its own with the refund of any unearned premium or assessment being made independently of any new policy that is being issued to a current member. A policyholder must have been a qualified member of the Society for 24 months before the 50% requalification charge is applicable.

Special Rules Applicable To Independent Agency's Commission on Requalification Business:

Due to the commissions paid to independent insurance agencies for writing and servicing the Society's business, a special requalification rule has been adopted for all agency business. The commission will be based on the re-qualified inception premium.

f. **Facultative Reinsurance**

To allow the Society to insure for current policyholders higher value homes, especially in an unprotected area and maintain its conservative underwriting policy, arrangements are in place to secure Facultative Reinsurance.

Facultative Reinsurance is secured when a risks total insured value (coverages A, B, C, D & Scheduled Personal Property) exceed \$5,000,000.

The Reinsurance premium is passed to the policyholder and is included in the annual assessment notice.

D. PREMIUM RULES AND TABLES

1. TERRITORIAL RATING ZONES

- a. Territories are grouped in the following rating zones that have been adopted by the Society. Each Independent city and County has its own territory code which will fall within the appropriate zone per below.

ZONE 1 Western and Southern VA
ZONE 2 City of Richmond and Northern VA
ZONE 3 Counties Surrounding the City of Richmond
ZONE 4 Norfolk Area including Va. Beach and Eastern Shore
ZONE 5 Chesapeake Bay Counties, Eastern and Northeastern VA
ZONE 6 State-wide Territory for Fire Policies Only

2. PROTECTION CLASS DEFINITIONS

- PC 1-7: Municipal water
Fire hydrant no more than 1,000 feet from dwelling
Primary responding fire department no more than 5 miles from dwelling
- PC 8: Municipal water
Fire hydrant no more than 1,000 feet from dwelling
Primary responding fire department > 5 miles but no more than 6 miles from dwelling
- PC 9: Fire hydrant > 1,000 feet from dwelling
Primary responding fire department no more than 6 miles from dwelling
- PC 10: All other locations not qualifying for Protection Class 1-9

3. CONSTRUCTION DEFINITIONS

Masonry: A dwelling with walls of masonry, brick or concrete block construction.

Frame: A dwelling with walls of frame, or metal sheathed, stuccoed, or masonry veneered frame construction, or with walls of metal or metal lath and plaster on combustible supports.

Mixed: A dwelling shall be classed as frame construction when the wall area of frame construction (including gables) exceeds 33 1/3% of the total wall area.

4. RATING PROCEDURE/BASE PREMIUM COMPUTATION

The following rating procedure shall be followed to determine the correct policy premium. This is a step by step procedure and should be followed in the sequence in order to obtain the exact premium.

- a. From the Key Premium Chart, select the Key Premium for Territory, Protection Class, Construction and Form that applies.
- b. Using the Factor Table Chart on the same page, determine the Factor for the desired limit of liability.
- c. Multiply the Key Premium by the Factor and round to the nearest dollar to develop the base premium (\$0.50 or more rounded to the next higher whole dollar) for Property Coverage including \$25,000 Personal Liability and \$500 Medical Payments.
- d. The additional premium for optional coverages shown in this Manual shall then be added to the amount obtained in Steps a thru c to obtain the Total Policy Premium.

5. INTERPOLATION OF FACTORS FOR POLICY AMOUNTS NOT SHOWN ON FACTOR TABLE CHARTS

The factor for a policy amount, not shown in the Factor Table, may be obtained by interpolation.

- a. Example for interpolation if the desired limit is less than the highest limit shown, interpolate Factors shown for the nearest limit above and below the desired limit:

A premium is desired for a HO Form 3 on a masonry dwelling in Rating Zone 1 with the Protection Class of 5 for the amount of \$98,000 which falls between \$95,000 and \$100,000 shown in the Factor Table. In other words, the desired amount is \$3,000 in excess of the \$95,000 shown.

1. <u>Policy Amounts Shown</u>	<u>Factors Shown</u>
\$100,000	1.430
- 95,000	- 1.377
\$ 5,000 Difference	.053
(Amount)	(Factor)
2. <u>\$3,000 (Add'l Amt.)</u>	
\$5,000 (Diff. Amt.)	x .053 (Factor Difference) = .159
3. 1.377 (Smaller Limit Factor)	
+ .159 (Add'l Amount Factor)	
1.536 (Factor for Desired Limit)	

\$210.00 X 1.536 = \$323.00 Rounded to the nearest dollar

NOTE: When the premium is obtained by interpolation the limits for Property Coverages B, C and D, must be revised in relation to the basic limit of liability on the dwelling.

- b. Example for interpolation if the desired limit of liability is more than the highest limit shown:

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

A premium is desired for a primary HO3 \$302,000 policy limit.

1. Subtract the highest limit from the desired limit. This is the additional amount.

$$\begin{array}{r} \$302,000 \text{ (Desired limit)} \\ - 300,000 \text{ (Highest limit)} \\ \hline 2,000 \text{ (Additional amount)} \end{array}$$

2. Determine the factor for the additional amount by the following formula:

$$\frac{\text{Add'l amount}}{\$1,000} \times \text{Each Add'l } \$1,000 \text{ Factor} = \text{Factor for additional amount}$$

$$\frac{\$2,000}{\$1,000} \times .0135 = .027 \text{ (Factor for additional amount)}$$

3. Add the Factors for the highest limit and additional amount to obtain the Key Factor for the desired limit.

$$4.051 + .027 = 4.078 \text{ (Factor for desired limit)}$$

6. MINIMUM PREMIUM

At the time of issue, all policies are subject to a minimum policy premium of \$125. In the event of cancellation during the initial twelve months of the policy, any premiums paid by an assured, including the applicable minimum premium, are subject to a pro-rata refund.

Authorized Territories & Agencies

Independent City of: **Territory**[^]

Alexandria		39
Bedford	Campbell	41
Blacksburg	Trustpoint	06
Bristol		06
Buena Vista	Bankers/Lexington	41
Charlottesville	Hanckel-Citizens	41
Chesapeake	USI	36
Clifton Forge		41
Colonial Heights	Home Office	05
Covington		41
Danville	Bankers/Danville	05
Emporia		05
Fairfax		39
Falls Church		39
Franklin	Suffolk	34
Fredericksburg	Bankers/Fredericksburg	41
Galax		06
Hampton		33
Harrisonburg	Bankers/Harrisonburg	41
Hopewell	Home Office	31
Lexington	Bankers/Lexington	41
Lynchburg	Campbell	41
Manassas		40
Manassas Park		40
Martinsville	Bankers/Danville	05
Newport News		32
Norfolk	USI	35
Norton		07
Petersburg	Home Office	31
Poquoson		34
Portsmouth	USI	36
Radford		06
Richmond	Home Office	30
Roanoke	Trustpoint	37
Salem	Trustpoint	38
South Boston	Bankers/Danville	05
Staunton	Bankers/Staunton	41
Suffolk	Suffolk	34
Virginia Beach	USI (sec Beach Front 11)	10
Waynesboro	Bankers/Staunton	41
Williamsburg		41
Winchester	Winchester Group	41

[^]Does not indicate an approved area

Authorized Territories & Agencies

<u>County of:</u>		<u>Territory</u> [^]
Accomack	(Sec Beach Front 13)	12
Albemarle*	Hanckel-Citizens	41
Alleghany		41
Amelia		05
Amherst	Campbell	41
Appomattox		05
Arlington		40
Augusta*	Bankers/Staunton	41
Bath		41
Bedford	Campbell	41
Bland		07
Botetourt		41
Brunswick		05
Buchanan		07
Buckingham		05
Campbell	Campbell	05
Caroline	Bankers/Fredericksburg	41
Carroll		06
Charles City		31
Charlotte		05
Chesterfield*	Home Office	31
Clarke	Winchester Group	41
Craig		41
Culpeper		41
Cumberland		05
Dickenson		07
Dinwiddie		05
Essex		34
Fairfax		39
Fauquier		41
Floyd		06
Fluvanna		41
Franklin	Campbell or Trustpoint	41
Frederick	Winchester Group	41
Giles		07
Gloucester		34
Goochland*	Home Office	31
Grayson		06
Greene	Hanckel-Citizens	41
Greensville		05
Halifax		05
Hanover*	Home Office	31
Henrico*	Home Office	31
Henry	Bankers/Danville	05
Highland		41

*Protection class 7 or better

[^]Does not indicate an approved area

Authorized Territories & Agencies

<u>County of:</u>		<u>Territory</u> [^]
Isle of Wight	Suffolk	34
James City		41
King & Queen		41
King George		41
King William		41
Lancaster		34
Lee		07
Loudoun		40
Louisa		41
Lunenburg		05
Madison		41
Mathews		34
Mecklenburg		05
Middlesex		34
Montgomery	Trustpoint	06
Nelson	Hanckel-Citizens	41
New Kent	Home Office	31
Northampton	(sec Beach Front 13)	12
Northumberland		34
Nottoway		05
Orange		41
Page		41
Patrick		06
Pittsylvania	Bankers/Danville	05
Powhatan	Home Office	31
Prince Edward		05
Prince George		05
Prince William		39
Pulaski		06
Rappahannock		41
Richmond County		34
Roanoke	Trustpoint	38
Rockbridge	Bankers/Lexington	41
Rockingham	Bankers/Harrisonburg	41
Russell		07
Scott		07
Shenandoah		41
Smyth		06
Southampton		34
Spotsylvania*	Bankers/Fredericksburg	41
Stafford*	Bankers/Fredericksburg	41
Surry		05
Sussex		05
Tazewell		07
Warren	Winchester Group	41
Washington		06
Westmoreland		34
Wise		07
Wythe		06
York		34

*Protection class 7 or better

[^]Does not indicate an approved territory

**KEY PREMIUM AND FACTOR TABLE
HOMEOWNERS FORM HO-3**

KEY PREMIUM TABLE

Territory	PC	Const	HO-3
05	1-7	M	210
06	1-7	F	233
37	8	M	245
38	8	F	269
40	9	M	269
41	9	F	318
	10	M	342
	10	F	428
30	1-7	M	278
39	1-7	F	309
	8	M	309
	8	F	329
	9	M	329
	9	F	366
	10	M	387
	10	F	428
31	1-7	M	224
	1-7	F	250
	8	M	250
	8	F	275
	9	M	275
	9	F	324
	10	M	350
	10	F	437
07	1-7	M	354
10, 11	1-7	F	394
12	8	M	394
13	8	F	433
32	9	M	433
33	9	F	511
35	10	M	551
36	10	F	689
34	1-7	M	261
	1-7	F	290
	8	M	290
	8	F	319
	9	M	319
	9	F	377
	10	M	406
	10	F	507

FACTOR TABLE (In thousands)

Cov A Limit	Factor
100	1.430
105	1.483
110	1.536
115	1.590
120	1.644
125	1.700
130	1.756
135	1.824
140	1.891
145	1.959
150	2.026
155	2.094
160	2.161
165	2.229
170	2.296
175	2.364
180	2.431
185	2.499
190	2.566
195	2.634
200	2.701
205	2.769
210	2.836
215	2.904
220	2.971
225	3.039
230	3.106
235	3.174
240	3.241
245	3.309
250	3.376
255	3.444
260	3.511
265	3.579
270	3.646
275	3.714
280	3.781
285	3.849
290	3.916
295	3.984
300	4.051
Each addl	Per thousand
\$300-749k	.0135
\$750-1.9 mil	.014

**KEY PREMIUM AND FACTOR TABLE
HOMEOWNERS FORMS HO-4 AND HO6**

Territory	PC	Const	HO-4	HO-6
05	1-7	M	138	110
06	1-7	F	153	123
37	8	M	153	123
38	8	F	176	142
40	9	M	200	160
41	9	F	223	178
	10	M	230	185
	10	F	276	222
30	1-7	M	167	134
39	1-7	F	186	148
	8	M	186	148
	8	F	215	170
	9	M	223	188
	9	F	254	219
	10	M	261	227
	10	F	293	258
31	1-7	M	156	124
	1-7	F	174	139
	8	M	174	139
	8	F	200	160
	9	M	226	180
	9	F	252	201
	10	M	261	208
	10	F	312	250
07	1-7	M	200	160
10, 11	1-7	F	222	178
12	8	M	222	178
13	8	F	256	204
32	9	M	289	230
33	9	F	322	258
35	10	M	334	266
36	10	F	400	319
34	1-7	M	170	136
	1-7	F	189	151
	8	M	189	151
	8	F	217	174
	9	M	245	196
	9	F	274	218
	10	M	283	227
	10	F	339	271

Cov C Limit (in thousands)	Factor
15	.700
20	.825
25	1.000
30	1.140
35	1.275
40	1.405
45	1.538
50	1.670
55	1.803
60	1.935
65	2.068
70	2.200
75	2.333
80	2.465
85	2.598
90	2.730
95	2.863
100	2.995
Each addl \$1,000	.0265

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

LIABILITY COVERAGES – LIMIT

COVERAGE E \$300,000

	<u>\$1,000</u>	<u>\$2,000</u>
Coverage F - Medical Payments		
Described Residence	8	10
MAS-22 Additional Residence - Occupied	6	7
MAS-23 Additional Residence - Rented		
1 Family	8	9
2 Family	12	13
Domestic/Residence Employees	7	8
MAS-9 & MAS-10 Office or Studio Occupancy		
a. Rule 4.a.	15	17
b. Rule 4.b.	11	13
MAS-26 Watercraft		
1. Outboard Motors		
a. Over 25 hp. but under 50 hp.	11	12
b. 50 hp. and Over	25	28
2. Inboard or Inboard-Outdrive Motorboats; Sailboats, 26 ft. or more, with auxiliary power		
a. Less than 26 ft.; under 16 mph	24	26
16-30 mph	48	51
over 30 mph	118	126
b. 26 to 40 ft.; under 16 mph	61	65
16-30 mph	96	102
over 30 mph	178	190
3. Sailboats without auxiliary power 26 to 40 ft.	48	51
MAS-25 Business Activities		
Group A	5	6
Clerical Employees		
Sales person, Collector or Messenger – Installation, demonstration or servicing operation.....Excluded		
Group B	7	9
Sales person, Collector or Messenger – Installation, demonstration or servicing operation.....Included		
Group C	9	12
Teachers-laboratory, athletic, manual or physical training (excluding corporal punishment)		
Group D	5	6
Teachers -not otherwise classified above (excluding corporal punishment)		
MAS-60 Incidental Farming	25	27

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

LIABILITY COVERAGES- INCREASED LIMITS

COVERAGE E \$500,000

Coverage F - Medical Payments	<u>\$1,000</u>	<u>\$2,000</u>	<u>\$3,000</u>
Described Residence	14	16	18
MAS-22 Additional Residence - Occupied	9	10	11
MAS-23 Additional Residence - Rented			
1 Family	15	16	17
2 Family	24	25	26
Domestic/Residence Employees	9	10	11
MAS-9 & MAS-10 Office or Studio Occupancy			
a. Rule 4.a.	28	33	38
b. Rule 4.b.	23	28	33
MAS-26 Watercraft			
1. Outboard Motors			
a. Over 25 hp. but under 50 hp.	13	14	15
b. 50 hp. and Over	27	30	33
2. Inboard or Inboard-Outdrive Motorboats; Sailboats, 26 ft. or more, with auxiliary power			
a. Less than 26 ft.; under 16 mph	27	29	31
16-30 mph	54	57	60
over 30 mph	133	141	149
b. 26 to 40 ft.; under 16 mph	69	73	77
16-30 mph	107	113	119
over 30 mph	200	212	224
3. Sailboats without auxiliary power 26 to 40 ft.	54	57	60
MAS-25 Business Activities			
Group A	7	8	9
Clerical Employees			
Sales person, Collector or Messenger – Installation, demonstration or servicing operation.....Excluded			
Group B	10	12	14
Sales person, Collector or Messenger – Installation, demonstration or servicing operation.....Included			
Group C	17	20	23
Teachers-laboratory, athletic, manual or physical training (excluding corporal punishment)			
Group D	8	9	10
Teachers -not otherwise classified above (excluding corporal punishment)			
MAS-60 Incidental Farming	30	32	34

APPENDIX TABLE I
SCHEDULED PERSONAL PROPERTY COVERAGE

A. SCHEDULED PERSONAL PROPERTY COVERAGE.

CLASSIFICATION	CLASS LIMITS	RATE PER \$100	DMCL CODE
JEWELRY (Minimum Item Value (MIV) \$500) (Single Item Max Limit \$15,000)	*	\$ 1.25	052
FURS (MIV \$1,000; Single Item Limit \$15,000)	*	.35	054
CAMERAS (NON-PROFESSIONAL) (MIV \$500)	\$10,000	1.15	056
MUSICAL INSTRUMENTS (NON-PROFESSIONAL) (MIV \$500)	10,000	.70	058
SILVERWARE (NO MIV)	*	.50	060
FINE ARTS (INCLUDES PIANO) (MIV \$1,000; Single Item Limit \$25,000)	*	.15	062
GUN COLLECTIONS (MIV \$500)	10,000	3.00	066
ANY OTHER CLASS (DISCONTINUED)			

ATTACH MAS-17 – SCHEDULED PERSONAL PROPERTY COVERAGE

B. HIGH VALUE SCHEDULED PERSONAL PROPERTY

CLASSIFICATION	CLASS LIMITS	RATE PER \$100	DMCL CODE
JEWELRY (Single Item Max Limit \$50,000)	*	\$ 1.50	250
FURS (Single Item Max Limit \$50,000)	*	.55	251
FINE ARTS (Single Item Max Limit \$50,000)	*	.25	255

ATTACH MAS-17 – SCHEDULED PERSONAL PROPERTY COVERAGE

* The Aggregate amount of all classes of Scheduled Personal Property coverage is limited to an amount equal to 100% of the Coverage C amount of a policy subject to the following: There is a \$50,000 aggregate jewelry schedule limit for homes without a monitored central station alarm system. For homes with a monitored central station alarm system, there is an aggregate jewelry schedule limit of 25% of Coverage A, not to exceed \$250,000. For Forms HO-4 and HO-6, there is an aggregate jewelry schedule limit equal to 36% of Coverage C.

QUICK REFERENCE RATING SUMMARY

DMCL CODES	MAS FORM NO.	DESCRIPTION OF COVERAGE	RATE
HOMEOWNER:			
2	3	FORM HO-3	SEE TABLES
18	3	SECONDARY RESIDENCE (HO3)	SEE TABLES
19	6	SECONDARY RESIDENCE (HO6)	SEE TABLES
20	4	FORM HO-4	SEE TABLES
22	6	FORM HO-6	SEE TABLES
36	NONE	FACULTATIVE REINSURANCE	SEE REINSURANCE WKSHT
37	NONE	\$1,000 LOSS DEDUCTIBLE	NOT RATED
38	14	EARTHQUAKE: HO3 COV A PER \$1,000	FRAME \$.40
39	14	EARTHQUAKE: HO3 COV A PER \$1,000	OTHER \$.65
40	14	EARTHQUAKE: HO4 or HO6 COV C PER \$1,000	FRAME \$.20
41	14	EARTHQUAKE: HO4 or HO6 COV C PER \$1,000	OTHER \$.55
42	NONE	LOSS OF USE - INCREASED LIMIT (HO3)	\$2.00 per \$1,000
43	NONE	RELATED PRIVATE STRUCTURES - INCREASED LIMIT	\$2.00 per \$1,000
44	12	RELATED PRIVATE STRUCTURES - RENTED	\$3.00 per \$1,000
47	15	MONEY - INCREASED LIMIT (MAX. \$1,000)	\$6.00 per \$ 100
48	NONE	UNSCH PERS PROP ACV-INC LIMITS (DISCONTINUED)	
49	15	SECURITIES- INCREASED LIMIT (MAX. \$2,000)	\$4.00 per \$ 100
51	15	JEWELRY/FURS-INC. LIMIT (MAX \$5,000/\$2,500)	\$2.00 per \$ 100
52	17	JEWELRY - \$25,000 OR LESS	\$1.25 per \$ 100
54	17	FURS	\$.35 per \$ 100
56	17	CAMERAS - NON-PROFESSIONAL	\$1.15 per \$ 100
58	17	MUSICAL INSTRUMENTS-NON-PROFESSIONAL	\$.70 per \$ 100
60	17	SILVERWARE	\$.50 per \$ 100
62	17	FINE ARTS	\$.15 per \$ 100
66	17	GUN COLLECTIONS	\$3.00 per \$ 100
67	18	REPLACEMENT VALUE ON PERSONAL PROPERTY(HO3)	\$3.00 per \$1,000
70	21	VACANCY - NON-OCCUPANCY	\$250
71	33	CONTRACTS COVERAGE INCREASED LIMIT (HO4 & HO6)	\$5.00 per \$1,000 (Up to \$19,000)
73	NONE	WOOD SHINGLE ROOF	\$20.00
74	15	GUNS - INCREASED LIMIT (MAX. \$7,500)	\$3.00 per \$ 100
76	NONE	HO-6 UNIT-OWNERS COV. A - INCREASED LIMITS	\$3.00 per \$1,000
77	30	HO-6 UNIT-OWNERS COV. A - SPECIAL COVERAGE	\$1.00 per \$1,000
79	32	LOSS ASSESSMENT COVERAGE INCREASED LIMIT	\$.60 per \$1,000
80	18	REPLACEMENT VALUE ON PERSONAL PROPERTY (HO4/HO6)	.25 x BASE RATE
81	28	INFLATION GUARD PROTECTION ENDORSEMENT	\$20.00
82	NONE	LOSS OF USE - INCREASED LIMIT (HO4 or HO6)	\$3.00 per \$1,000
83	17	SCHEDULED PERSONAL PROPERTY- ALL OTHER CLASSES	AS AGREED
84	13	CREDIT CARD/FORGERY - INCREASED LIMIT TO \$5,000	\$3.00
85	NONE	\$10,000 DEDUCTIBLE	NOT RATED
86	NONE	COLLATERALIZATION OF RESIDENCE	NOT RATED

QUICK REFERENCE RATING SUMMARY

DMCL	MAS		
CODES	FORM NO.	DESCRIPTION OF COVERAGE	RATE
88	NONE	REPLACEMENT VALUE ON PERSONAL PROPERTY -INCREASED LIMIT	\$1.00 per \$1,000
89		\$2,500 LOSS DEDUCTIBLE	
	40	MISCELLANEOUS ENDORSEMENT	NOT RATED
91	52	SPECIAL AMENDATORY ENDORSEMENT	NOT RATED
92	53	LOSS PAYEE CLAUSE	NOT RATED
93	61	SCHEDULED RELATED PRIVATE STRUCTURES AWAY FROM PREMISES	\$3.00 per \$1,000
94	NONE	\$1,500 LOSS DEDUCTIBLE	N/A
95	67	WATER DAMAGE-SEWERS, DRAINS AND SUMPS - INCREASED LIMITS	\$5.00 per \$1,000
96	68	IDENTITY RECOVERY COVERAGE	INCLUDED
97	63	1% WINDSTORM OR HAIL DEDUCTIBLE(TREE EXPOSURE)	NOT RATED
98	71	EQUIPMENT BREAKDOWN COVERAGE	SEE PAGE 21
99		\$5,000 LOSS DEDUCTIBLE	
100	NONE	DESCRIBED RESIDENCE - LIABILITY	SEE TABLES
101	NONE	DESCRIBED RESIDENCE - MEDICAL PAYMENTS	SEE TABLES
102	22	ADDITIONAL RESIDENCE - OCCUPIED	SEE TABLES
104	23	ONE-FAMILY ADD'L RESIDENCE - RENTED	SEE TABLES
106	23	TWO-FAMILY ADD'L RESIDENCE - RENTED	SEE TABLES
108	NONE	RESIDENCE EMPLOYEES	SEE TABLES
110	9	OFFICE OR STUDIO-A	SEE TABLES
112	9	OFFICE OR STUDIO-B	SEE TABLES
114	26	WATERCRAFT-OUTBOARD LT 50 HP.	SEE TABLES
115	26	WATERCRAFT-OUTBOARD 50 HP. & OVER	SEE TABLES
116	26	WATERCRAFT-LT 26 FT UNDER 16 MPH	SEE TABLES
117	26	WATERCRAFT-26-40 FT UNDER 16 MPH	SEE TABLES
119	26	WATERCRAFT-LT 26 FT 16-30 MPH	SEE TABLES
120	26	WATERCRAFT-26-40 FT 16-30 MPH	SEE TABLES
122	26	WATERCRAFT-LT 26 FT OVER 30 MPH	SEE TABLES
123	26	WATERCRAFT-26-40 FT OVER 30 MPH	SEE TABLES
124	26	SAILBOAT-26-40 FT NO AUX POWER	SEE TABLES
132	25	BUSINESS ACTIVITIES-GROUP A	SEE TABLES
134	25	BUSINESS ACTIVITIES-GROUP B	SEE TABLES
136	25	BUSINESS ACTIVITIES-GROUP C	SEE TABLES
138	25	BUSINESS ACTIVITIES-GROUP D	SEE TABLES
139	60	INCIDENTAL FARMING	SEE TABLES
140	72	INSURANCE BY MORE THAN ONE COMPANY	NOT RATED
141	8SR	ADDITIONAL ASSURED-OWN INT-SECONDARY RESIDENCE	NOT RATED
142	8	ADDITIONAL ASSURED-OWNERSHIP INTEREST	NOT RATED
143	57	ADDITIONAL ASSURED-OWNERSHIP INTEREST EXTENDED	NOT RATED
144	10	RELATED PRIVATE STRUCT-OFFICE OR STUDIO OCCUPANCY	\$3.00 PER \$1000
145	8L	ADDITIONAL ASSURED-FOR LIABILITY COVERAGE	NOT RATED
146	73	RESIDENCE UNDER CONSTRUCTION-THEFT	\$3.00 PER \$1000
147	NONE	SUPPLEMENTAL STOVE EXTRA PREMIUM	\$100 FLAT RATE
148	NONE	CANINE (DOG) LIMITATION AND EXTRA PREMIUM	\$100 FLAT RATE
149	NONE	FLAT ROOF EXTRA PREMIUM	\$250 FLAT RATE

QUICK REFERENCE RATING SUMMARY

DMCL CODES	MAS FORM NO.	DESCRIPTION OF COVERAGE	RATE
PERSONAL UMBRELLA LIABILITY POLICY:			
200	101	PERSONAL UMBRELLA LIABILITY FORMS \$1,000,000	SEE MAS-107
201	101	PERSONAL UMBRELLA LIABILITY FORMS ADD'L \$1,000,000	SEE MAS-107
202	101	PERSONAL UMBRELLA LIABILITY FORMS ADD'L \$1,000,000	SEE MAS-107
203	101	PERSONAL UMBRELLA LIABILITY FORMS ADD'L \$1,000,000	SEE MAS-107
204	101	PERSONAL UMBRELLA LIABILITY FORMS ADD'L \$1,000,000	SEE MAS-107
205	103	NAMED DRIVER EXCLUSION ENDORSEMENT	NOT RATED
206	104	EXCLUSION-DESIGNATED VEHICLE	NOT RATED
209	109	EXCLUSION-DESIGNATED WATERCRAFT	NOT RATED
210	111	EXCLUSION-BUSINESS PROPERTY PREMISES	NOT RATED
211	52	SPECIAL AMENDATORY ENDORSEMENT (PULP)	NOT RATED
213	115	SPECIFIED BUSINESS ACTIVITIES	
HIGH VALUE SCHEDULED PERSONAL PROPERTY:			
250	17	HIGH VALUE JEWELRY	\$1.50 per \$100
251	17	HIGH VALUE FURS	\$0.55 per \$100
252	17	HIGH VALUE CAMERAS	N/A
253	17	HIGH VALUE MUSICAL INSTRUMENTS	N/A
254	17	HIGH VALUE SILVERWARE	N/A
255	17	HIGH VALUE FINE ARTS	\$0.25 per \$100
257	17	HIGH VALUE OTHER	N/A
DWELLING PROPERTY:			
301	NONE	DWELLING - ONE FAMILY(FIRE)	SEE TABLES
303	NONE	DWELLING - TWO FAMILY(FIRE)	SEE TABLES
305	NONE	DWELLING - 3 OR 4 FAMILY(FIRE)	N/A
309	NONE	MERCANTILE	N/A
310	NONE	APARTMENTS	N/A
311	NONE	CHURCHES	N/A
312	NONE	BOARDING HOUSES, PUBLIC INST.	N/A
313	NONE	GARAGES	N/A
315	77	ADD'L & EXTENDED ADD'L PERILS DP-2	SEE TABLES
316	78	OWNER OCCUPANCY ENDORSEMENT	NOT RATED
318	NONE	STANDARD AMENDATORY ENDORSEMENT	NOT RATED
319	81	SPECIAL PERILS-DP-3	SEE TABLES
320	21	VACANCY-NON-OCCUPANCY	\$250.00
325	NONE	WOOD SHINGLE ROOF	\$20.00
337	NONE	\$1,000 LOSS DEDUCTIBLE	NOT RATED
338	85	EARTHQUAKE COV A-PER \$1,000	FRAME \$.20
339	85	EARTHQUAKE COV A-PER \$1,000	OTHER \$.30
340	80	CONTRIBUTING INSURANCE	NOT RATED
342	8DP	ADDITIONAL ASSURED	NOT RATED
343	NONE	OTHER STRUCTURES-INC LIMIT	\$2.00 per \$1,000
344	NONE	LOSS OF USE-INC LIMIT	\$2.00 per \$1,000
349	NONE	FLAT ROOF	\$250 FLAT RATE
381	84	INFLATION GUARD	\$20.00
389		\$2,500 LOSS DEDUCTIBLE	
390	40	MISCELLANEOUS ENDORSEMENT	
391	52	SPECIAL AMENDATORY ENDORSEMENT	NOT RATED
397	89	1% WINDSTORM DEDUCTIBLE	NOT RATED

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

E. AUTHORIZED FORMS AND ENDORSEMENTS

The following forms and endorsements are presently in use for risks insured under homeowners policies issued by the Society. Included herein is a specimen of each form or endorsement identified below:

FORM NUMBER	DESCRIPTION
MAS-1 (2011)	Constitution, Rules and Regulations (Bylaws)
MAS-3 (1/1/2003)	HO3-Special Form
MAS-4 (1/1/2003)	HO4- Contents Broad Form
MAS-5 (1/1/2011)	Policy Declarations Page
MAS-6 (1/1/2003)	HO6- Unit Owners Form
MAS-8 (1/1/2013)	Additional Assured - Ownership Interest
MAS-8L (1/1/2013)	Additional Assured – For Liability Coverage
MAS-8SR (1/1/2012)	Additional Assured – Secondary Residence
MAS-9 (1/1/2008)	Office or Studio Occupancy
MAS-11 (1/1/2003)	Personal Injury Liability Endorsement
MAS-12 (1/1/2003)	Related Private Structures – Rented to Others
MAS-13 (1/1/2003)	Credit Card/Forgery & Counterfeit Money - Increased Limit
MAS-14 (1/1/2004)	Earthquake Coverage
MAS-15 (1/1/2003)	Coverage C Increased Special Limits of Liability
MAS-17 (1/1/2003)	Scheduled Personal Property Coverage
MAS-18 (1/1/2003)	Replacement Value on Personal Property
MAS-21 (11/2003)	Vacancy-Non Occupancy Endorsement
MAS-22 (1/1/2013)	Additional Residence Occupied by Assured
MAS-23 (1/1/2013)	Additional Residence Premises Rented to Others
MAS-25 (1/1/2003)	Business Activities
MAS-26 (1/1/2003)	Watercraft
MAS-28 (1/1/2003)	Inflation Guard Protection Endorsement
MAS-30 (1/1/2003)	Unit Owners Additions A-Special Coverage (HO6)
MAS-32 (1/1/2003)	Loss Assessment Coverage – Increased Limit
MAS-33 (1/1/2014)	Contracts Coverage Increased Limits (HO4 & HO6)
MAS-34 (9/1/2005)	Watercraft Liability Survey
MAS-35	RESERVED
MAS-37 (2/1/2007)	Change Endorsement Request
MAS-38 (1/1/2003)	Cancellation Request/Certificate of Policy Release
MAS-40 (1/1/2003)	Miscellaneous Endorsement Report Insurance Binder
MAS-41 (1/2005)	Insurance Binder
MAS-44 (1/1/2003)	Important Information Regarding Your Insurance
MAS-45 (3/15/2010)	Notice of Insurance Information Practices
MAS-47 (8/00)	Notice of Adverse Underwriting Decision
MAS-48 (2/5/2009)	Policyholders Information Letter-New Business
MAS-49 (1/1/2011)	Policyholders Information Letter-Existing Member
MAS-51 (1/1/2017)	Standard Amendatory Endorsement
MAS-52 (1/1/2017)	Special Amendatory Endorsement
MAS-53 (1/1/2003)	Loss Payee Clause Endorsement
MAS-54 (1/1/2017)	Standard Amendatory Endorsement (HO4 & HO6)
MAS-56 (7/1/2004)	Flood Insurance Notice
MAS-57 (1/1/2013)	Additional Assured-Extended

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

MAS-58 (1/1/2013)	Notice Regarding Earthquake Exclusion
MAS-60 (1/1/2003)	Incidental Farming
MAS-61 (1/1/2003)	Schedule Related Private Structures – Away from Premises
MAS-62 (1/1/2007)	Named Windstorm Deductible (Discontinued on 2011 Anniversary)
MAS-63 (1/1/2013)	Windstorm or Hail Deductible (1%)
MAS-64 (1/1/2013)	Exclusionary Endorsement for Water Damage-Sewers, Drains and Sumps
MAS-65 (1/1/2005)	Water Damage-Sewers, Drains and Sumps
MAS-66 (1/1/2011)	Expanded Replacement Cost Terms
MAS-67 (1/1/2005)	Water Damage-Sewers, Drains and Sumps Increased Limits
MAS-68 (2/1/2011)	Identity Recovery Coverage
MAS-69 (1/1/2006)	Fungi, Wet or Dry Rot, or Bacteria Exclusion
MAS-70 (1/1/2006)	Lead Exclusion
MAS-71 (1/1/2018)	Equipment Breakdown Coverage
MAS-72 (1/1/2008)	Insurance By More Than One Company
MAS-73 (9/1/2008)	Residence Under Construction-Theft
MAS-92 (1/1/2018)	Standard Policy Deductible Schedule
MAS-94 (1/1/2013)	Special Windstorm or Hail Deductible

IV. DWELLING PROPERTY (DP) POLICY MANUAL

A. UNDERWRITING REQUIREMENTS

The Mutual Assurance Society will consider applications for assurance on those dwellings which qualify under the rules adopted by the Society. The Society issues a perpetual dwelling property (DP) policy, i.e. without expiration, and accordingly it seeks to insure quality property in approved territories only. The following requirements are presently in effect.

1. Dwelling must be situated in an authorized territory as identified in Section II of this Manual.
2. Dwelling's Coverage A amount is limited to no more than \$750,000. Any risk exceeding this limit may be submitted to Underwriting for special consideration.
3. Dwelling occupancy is limited to no more than two-family residences with no more than two roomers or boarders per family on premises.
4. Dwelling must be no more than 1,000 feet from a fire hydrant and no more than 6 miles from a responding municipal fire department, as measured by an acceptable electronic mapping tool such as Google Maps or MapQuest. The fire department must be completely staffed by full-time paid personnel.
5. Dwelling must be of conventional construction of brick, stone, block or frame of not more than three stories, excluding basement area. No novel or experimental construction techniques or features are permitted.
6. Dwelling must have central heating system. A dwelling with an oil or gas fired furnace located in crawl space under house is not eligible unless furnace is serviced annually under a maintenance or service agreement with a reputable firm. No floor furnaces or wall furnaces or supplemental wood stove are permitted.
7. Dwelling should not be over 50 years of age unless plumbing, heating and electrical service have been replaced or updated to accommodate modern appliances or unless physical inspection by authorized agent indicates that all systems appear to be in good condition. Dwellings over 70 years of age must have had all electrical, plumbing, and heating systems replaced, including all electrical wiring and all water pipes.
8. Dwelling may be unoccupied due to usual and customary travel on weekends and on the average about four weeks during a year. Dwellings unoccupied for extended periods during the year, i.e. generally exceeding 30 consecutive days, should not be written unless a temporary resident will secure dwelling. Dwellings frequently unoccupied as a result of performance schedules such as for entertainers, actors, athletes, musicians, etc., should not be written.
9. Rental property must be occupied under a lease arrangement at the time coverage becomes effective. Property usually rented may remain vacant or unoccupied only during the changing of tenants and then only for a period of time not exceeding 60 days.
10. Rental property must have direct oversight and frequent visitation by the owner, or there must be a written contract in place with a property management company.
11. Dwelling market value should not be less than 80% of estimated replacement cost of dwelling. If circumstances indicate market value is unrealistically low an exception may be approved in the discretion of the Society. Dwelling should be insured to 100% of estimated replacement cost but in no event less than 80% of estimated replacement cost.

For high percentage mortgage loans the Society will consider insurance up to 110% of estimated replacement cost provided that no additional increases in coverage will be made until

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

inflation, improvements or some other appropriate cause results in coverage being an amount less than 100% of estimated replacement cost.

12. Dwelling must be personally inspected by an authorized agent or representative of the Society and the application for assurance must be submitted to the home office for approval.
13. Generally, risks should be loss free within the past three years; however, one weather related loss not exceeding \$5,000 will be permitted provided that all repairs have been completed.
14. If liability coverage is extended from homeowners policy, risks shall not have unusual liability exposures or "attractive nuisances", e.g. unsecured access to swimming pool, temperamental animals, trampolines, skate ramps, etc.
15. A DP policy shall not be issued to cover:
 - a. Any mobile home, trailer home or house trailer whether or not set on blocks, foundations or otherwise made stationary.
 - b. Any property situated on premises used for farming purposes.
16. Society will not insure adjacent (exposing) row style dwellings. For this purpose, row style dwellings shall be deemed to be dwellings with common or party walls, whether parapeted or not.
17. Water-containing or water-producing appliances, e.g. clothes washing machines, hot water heaters, central air conditioning systems, situated above a finished area must have a properly installed drip pan with an external drain line. Under certain circumstances, such as a nicely finished first floor or basement, a drip pan and external drain line may be required on a lower level at the discretion of the agent/underwriter.

All washing machines must be installed with stainless steel anti-burst hoses regardless of location.

Icemaker on refrigerator must have a flexible anti-burst supply line.

Hot water heaters located above any finished area must have an automatic shut-off valve properly installed in a drip/drain pan under the heater.
18. Dwellings to be insured for new members of the Society shall not be under construction or under major renovation at the requested inception date of coverage. Coverage can be provided upon completion of initial construction or renovation with occupancy of the subject property.
19. Dwelling must have an approved roof. Ineligible are dwellings with an asbestos roof, or a flat, built-up roof or rubber or synthetic membrane covered roof situated over a finished living area, or a roof with less than 7 years of expected life. (Currently insured property with an asbestos roof may continue to be insured for the current owner only but subject to satisfactory experience and condition of property).
20. Provided the named assured(s) does not own more than three residential rental properties we can insure up to three rental dwellings (1 or 2 family units) for property and/or liability coverage if they meet all underwriting requirements.

If more than three residential rental properties are owned by the named assured(s) this ceases to be incidental and develops a business exposure. Accordingly, we cannot provide property or liability coverage on rental properties if there are more than three owned residential rental properties.

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

Existing coverage on rental properties for current assureds will be continued in accordance with previous directives.

21. Existing DP policies will not be routinely transferred to new owners resulting from either sale or inheritance.
22. Applicants who have filed for bankruptcy, for other than medical reasons, within the past five years are ineligible. Applicants who have filed for bankruptcy for medical reasons may be referred to underwriting management for consideration.
23. Applicants who have owned residential property within the past 36 months must have had verifiable insurance coverage for that residential property.

All other current eligibility rules would apply for insuring the subject property.

B. POLICY ISSUE AND PREMIUM BILLING PROCEDURE

The Society will consider applications for assurance submitted by its agents for qualified property situated in authorized territories. Applications should be completed through the Society's website and then printed.

Every new risk submitted to the Society shall have been physically inspected by the writing agent in accordance with requirements of General Rule No. 22 of the Homeowners Policy Manual. The application for assurance (Form MAS-75) shall be completed in its entirety and shall be signed by the applicants for assurance and the agent submitting the business.

After receipt of the application for assurance the premium charges will be audited and any discrepancies will be resolved directly with the writing agency. Upon approval of the application at the home office, a perpetual policy will be prepared. The policy and premium invoice will be sent directly to the named assureds residing in those territories serviced by the home office. For territories serviced by authorized agencies, the policy, together with the premium invoice, will be forwarded to the writing agency for delivery to the named assureds. In the event the original policy is to be held by a mortgagee, a complete copy of the original policy shall be furnished to the assureds.

After payment of an initial 12 month premium a policy thereafter will be subject to annual assessments established by the Society's Board of Directors. An annual assessment invoice will be sent from the Society's home office 30 days prior to annual anniversary date for the amount of the annual assessment required for the current calendar year's operations. Assessment notices will be sent according to instructions provided to the Society giving due regard to the interests of mortgagees in such insurance. (General Rule No.'s 10, 11 and 12 of the Homeowners Policy Manual are also applicable to DP policies).

All assessment notices are sent directly to the policyholder and assessments are paid directly to the home office. Agencies will receive an electronic copy of the current policy through an IVANS download for their records. Agents are also provided with direct access to their policies in our policy administration system.

Agencies do not have the authority to issue binders on behalf of the Society for new business submissions. If the need for a binder arises, please call the home office.

Agencies are authorized to receive and accept increases or changes in coverage on in force policies covering one and two family dwellings. Change endorsements affecting in force business of these classes must be submitted to the Society on the day of execution or before the date on which the change in coverage is to become effective.

C. GENERAL RULES FOR dwelling property (DP) POLICIES

1. INSTRUCTIONS

The Society's dwelling property (DP) policies provide property coverages only using the forms and endorsements specified herein. This Manual contains the rules, classifications and premiums governing the writing of DP policies. The rules, rates, forms and endorsements adopted by the Society for each coverage shall govern in all cases not specifically provided for herein.

2. POLICY FORMS AND DESCRIPTION OF COVERAGE

The following is a general description of the coverages provided by the DP policy. The policies and forms should be consulted for exact contract conditions.

- a. Form DP-1 Basic Form – No longer available.
- b. Form DP-2 Broad Form - Covers dwelling, related Private Structures and Additional Living Costs and Fair Rental Value against direct loss by:
 1. Fire or Lightning
 2. Explosion
 3. Windstorm or Hail
 4. Riot or Civil Commotion
 5. Aircraft
 6. Vehicles
 7. Sudden and Accidental Damage from Smoke
 8. Vandalism
 9. Burglary Damage
 10. Falling Objects
 11. Weight of Ice, Snow or Sleet
 12. Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
 13. Accidental Discharge or Overflow of Liquids or Steam
 14. Freezing
 15. Sudden and Accidental Damage from Artificially Generated Electrical Currents
 16. Sinkhole Collapse
 17. Volcanic Action
 18. Collapse of a Building or a Part of a Building
- c. Form DP-3 Special Form covers the residence and related private structures against all risks of physical loss, with certain exceptions.

Personal Property: All DP policies are endorsed with MAS-83. Rented Dwelling Appliance Endorsement. No other personal property coverage is available.

3. ELIGIBILITY

Although the Society may have old fire only policies in force covering different classes of risks, it currently only issues new DP policies on one-family or two-family residential dwellings having no more than two roomers or boarders per family on premises. Such dwellings can be owner-occupied or tenant occupied.

Subject to consent of the companies, coverage under the DP policy may be divided between two or more companies on a percentage basis. When coverage is so divided, Contributing Assurance Form MAS-80 is required and must refer by policy number and company name to the sharing company(s).

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

The Society offers the DP-2 and DP-3 dwelling property forms. Eligibility is subject to the following requirements subject to underwriting approval.

DP-3 Form MAS-81 (Ed. 1/1/2009)

Dwelling is well maintained and all systems have been updated/replaced in the past twenty five (25) years. This includes electrical, heating and plumbing. (see Homeowner manual Section III.A)

Coverage is being changed from a homeowner policy (HO-3) to a DP policy and the dwelling is occupied as a rental.

The Society must write the primary homeowners policy for the assured.

DP-2 Form MAS-77 (Ed. 1/1/2004)

Coverage is being changed from a homeowner policy (HO-3) to a DP policy and the dwelling is unoccupied or vacant and the Vacancy or Non-Occupancy Endorsement is being added.

4. **POLICY LIMITS**

The minimum dwelling limit for new business is \$30,000.

5. **DEDUCTIBLE**

The standard policy deductible is applicable to any property loss except Coverage D and the Fire Department Service charge provided under additional coverages. Effective with 2011 policy anniversaries, the standard policy deductible increases as the Coverage A-Residence amount of insurance increases as set forth in a Form MAS-93 and below:

Coverage A-Residence Amount of Insurance	Deductible
Equal to or less than \$1,000,000	\$1,000
Greater than \$1,000,000 but equal to or less than \$1,500,000	\$1,500
Greater than \$1,500,000 but equal to or less than \$2,000,000	\$2,000
Greater than \$2,000,000 but equal to or less than \$3,000,000	\$3,000
Greater than \$3,000,000	\$5,000

SPECIAL WINDSTORM OR HAIL DEDUCTIBLE (FORM MAS-91)

Effective with 2011 policy anniversaries the Named Windstorm Deductible (Form MAS-88) has been replaced by Form MAS-91 Special Windstorm or Hail Deductible, which applies a varying percentage deductible to all windstorm or hail losses based on the geographical location of a subject property as follows:

If the "assured premises" is located in the City of Franklin, Newport News or Suffolk, or in the County of Essex, Gloucester, Isle of Wight, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Southampton, Westmoreland or York, "we" pay only that part of the loss caused directly or indirectly by windstorm or hail, including loss caused by wind driven rain, which is more than 1% of the "limit" that applies to Coverage A--Residence.

If the "assured premises" is located in the City of Chesapeake, Hampton, Norfolk, Poquoson, or Portsmouth, "we" pay only that part of the loss caused directly or indirectly by windstorm or hail,

including loss caused by wind driven rain, which is more than 2% of the "limit" that applies to Coverage A--Residence.

If the "assured premises" is located in the City of Virginia Beach, or in the County of Accomack or Northampton, "we" pay only that part of the loss caused directly or indirectly by windstorm or hail, including loss caused by wind driven rain, which is more than 3% of the "limit" that applies to Coverage A--Residence.

1% WINDSTORM OR HAIL DEDUCTIBLE-FORM MAS-89

Optional endorsement available to mitigate windstorm exposure from trees, etc. in areas not otherwise subject to the percentage deductibles required by Form MAS-91 Special Windstorm or Hail Deductible.

6. OPTIONAL COVERAGES

1. Coverage B – Related Private Structures

10% of dwelling coverage A is automatically available for Related Private Structures. This limit for related private structures may be increased for an additional premium of \$2.00 per \$1,000 of insurance

2. Coverage D – Additional Living Costs and Fair Rental Value

10% of dwelling coverage A is automatically available for Additional Living Costs and Fair Rental Value. This limit may be increased for an additional premium of \$2.00 per \$1,000 of insurance

3. Earthquake

The DP policy may be extended to provide earthquake coverage and volcanic eruption coverage at the following premium for each \$1,000 of insurance:

Frame	.20	Coverage A Limit
All Other	.30	Coverage A Limit

Attach MAS 85 Earthquake Endorsement

Note: If any masonry veneer is present rate as "All Other"

The annual assessment for earthquake coverage is 80%.

4. Inflation Guard Protection Endorsement

All new business must be written with the Inflation Guard Protection Endorsement (Form MAS-84). Dwelling property forms, DP-2 and DP-3, can be endorsed with the Inflation Guard Protection Endorsement (Form MAS-84) for an additional premium of \$20.00. This endorsement authorizes the Society to adjust the Coverage A Limit of Liability on each anniversary by an amount estimated to represent the annual increase in residential construction costs. This annual adjustment is made simultaneously with the annual assessment. No additional annual premium is charged on the inflation guard increase but rather is reflected in the annual assessment based on the new policy premium after adjustment.

Attach Endorsement MAS-84 – Inflation Guard Protection Endorsement

7. DWELLING PROPERTY POLICY TRANSFERS OF ASSIGNMENTS

For purposes of satisfying the qualification requirements of General Rule 11 of the Homeowners Policy Manual, a DP policy covering one or two family dwellings may be transferred or assigned to another assured as provided below:

- a. A policy may be transferred to a surviving joint assured and evidenced by the issuance of a new declarations page;
- b. A policy may be transferred to the heirs of the deceased named assured by reapplication for insurance once the Society insures the heirs' primary home.
- c. A policy may be transferred to a member of an assured's immediate family (i.e. parent, child, spouse, brother, or sister) if legal transfer is a gift for estate planning purposes only by reapplication for insurance. With respect to transferred property which is of a class that the Society no longer insures (e.g. commercial, mercantile, etc.) the policy shall be cancelled unless said property remains in the family in which case we will consider continuing the policy. Transfer of such property shall be evidenced by the issuance of a new declarations page.

Regardless of the method of transfer, the condition and occupancy of the subject property must continue to meet the underwriting and eligibility requirements of the Society.

If property is actually being sold to a family member, who otherwise has no legal right to the property, or to any other person, the new owner is considered a new member of the Society for qualification purposes and is subject to all current underwriting and eligibility requirements.

8. TENANT PROPERTY ELIGIBILITY RULE

The Society will insure tenant-occupied dwellings under its perpetual DP policy only as an accommodation to its homeowners policyholders.

Thus, the Society will not insure tenant-occupied dwellings unless the property is owned by a member of the Society whose principal residence is also insured by the Society under its homeowners program.

An exception to this rule is that a homeowners policy may be converted to a DP policy for the same property owner and be continued in force covering the tenant occupied property even though the property owner no longer has a homeowners policy with the Society. No additional tenant occupied properties may be insured under this exception.

9. APPLICABILITY OF HOMEOWNERS POLICY MANUAL GENERAL RULES

The Society's DP policy provides property coverage only using the forms and endorsements specified herein.

Many of the Homeowners Policy Manual General Rules (Section III. C) are equally applicable to the Society's DP policies but have not been restated in their entirety in this Section of the Dwelling Property Policy Manual.

For reference purposes the following Homeowners Policy Manual General Rules are also applicable to the Society's fire policies:

Homeowners Subject	Policy Manual General Rule No.	Page Number
Coverage for Vacancy or Non-Occupancy Requirements for Submission of Applications for Assurance/Change Endorsement Requests	8	27
Perpetual Homeowners Policy	10	29
Other Insurance	11	30
Whole Dollar Premium Rule	12	31
Interpolation of Premiums for Policy Amounts	13	31
Increases in Limits of Liability	14	31
Definition of Pro Rata Basis	15	31
Waiver of Small Premium Adjustments	16	31
Cancellations or Reductions in Coverages/Refunds of Premiums or Assessments	17	31
Premium Revisions	18	31
Protection Class Change	19	32
Inspection of Insured Dwellings	21	33
Estates as Named Assureds	22	33
Trusts	23a	33
Return of Perpetual Policies	23b	34
Advertising	23c	34
	23d	34

D. PREMIUM RULES AND TABLES

The Society currently insures only one-family and two-family dwellings under its Dwelling Property Policy Program.

The premiums reflected on the following pages apply throughout the State of Virginia for the territories authorized by the Society, as shown in Section II. B of this Manual.

At the time of issue, all policies are subject to a minimum policy premium of \$150.00. In the event of cancellation during the initial twelve months of the policy, any premiums paid by an assured, including the applicable minimum premium, are subject to a pro-rata refund.

E. RATING PROCEDURE/BASE PREMIUM COMPUTATION

The following rating procedure shall be followed to determine the correct policy premium. This is a step by step procedure and should be followed in the sequence in order to obtain the exact premium.

- a. From the Key Premium Chart, select the Key Premium for Protection Class, Construction and Number of Families that applies.
- b. Using the Factor Table Chart on the same page, determine the Fire Factor for the desired Coverage A limit.
- c. Multiply the Key Premium by the Fire Factor to develop the Base premium.
- d. Select the Extended Coverage Key Premium for the policy type (DP-2 or DP-3.)
- e. Using the Factor Table Chart, determine the DP Factor for the desired Coverage A limit.
- f. Multiply the Extended Coverage Key Premium by the EC Factor to develop the Extended coverages (EC) premium.
- g. Add the Base Premium to the Extended coverages (EC) premium to develop the premium for Property coverage.
- h. The additional premium for optional coverages shown in this Manual shall then be added to the amount obtained in Steps a thru g to obtain the Total Policy Premium.

Example: (Key premium x Fire Factor) + (EC Key premium x EC Factor) = Property Premium

**MUTUAL ASSURANCE SOCIETY OF VIRGINIA
DWELLING PROPERTY FORMS**

KEY PREMIUM TABLE

PC	Const	ONE FAMILY	TWO FAMILY
1-8	M	90	99
1-8	F	121	133
9	M	121	133
9	F	175	193
10	M	175	193
10	F	232	256

FACTOR TABLE (COV A IN \$000)

Dwelling Limit	Fire Factor	EC Factor
\$100	2.49	3.70
105	2.59	3.88
110	2.70	4.05
115	2.80	4.23
120	2.91	4.40
125	3.01	4.58
130	3.12	4.75
135	3.22	4.93
140	3.33	5.10
145	3.43	5.28
150	3.54	5.45
Each addl \$1000	.021	.035

EXTENDED COVERAGES (EC):

DP-2 FORM \$30
DP-3 FORM \$37

All DP policies are subject to a \$150.00 minimum policy premium.

*All DP policies must be written with additional perils and extended additional perils (Form MAS-77 DP-2 Broad Form) (Form MAS-81 DP-3 Special Form).

E. AUTHORIZED FORMS AND ENDORSEMENTS

The following forms and endorsements are used exclusively with the Society's Dwelling Property Policy Program:

FORM NUMBER	DESCRIPTION
MAS-8DP (1/1/2013)	Additional Assured – Ownership Interest
MAS-77 (1/1/2004)	DP-2 Broad Form
MAS-78 (1/1/2004)	Amendatory Cancellation Endorsement for Owner-Occupied Dwellings
MAS-80 (1/1/2004)	Contributing Assurance
MAS-81 (1/1/2009)	DP-3 Special Form
MAS-83 (1/1/2004)	Rented Dwelling Appliance Endorsement
MAS-84 (1/1/2004)	Inflation Guard Protection Endorsement
MAS-85 (1/1/2004)	Earthquake
MAS-87 (1/1/2017)	Standard Amendatory Endorsement (DP-2)
MAS-88 (1/1/2007)	Named Windstorm Ded. (Disc. on 2011 Anniversary)
MAS-89 (1/1/2006)	Windstorm or Hail Deductible (1%)
MAS-90 (1/1/2017)	Standard Amendatory Endorsement (DP-3)
MAS-91 (3/1/2011)	Special Windstorm or Hail Deductible
MAS-93 (1/1/2018)	Standard Policy Deductible Schedule

The Following forms and endorsements are common to both the homeowners and fire policy programs and are listed here for reference.

FORM NUMBER	DESCRIPTION
MAS-1 (2011)	Constitution, Rules and Regulations (Bylaws)
MAS-21 (1/1/2003)	Vacancy or Non-Occupancy Endorsement
MAS-44 (1/1/2003)	Important Information Regarding Your Insurance
MAS-45 (1/1/2003)	Notice of Insurance Information Practices
MAS-56 (7/1/2004)	Flood Insurance Notice

V. PERSONAL UMBRELLA LIABILITY

A. GENERAL

The Mutual Assurance Society will consider applications for umbrella liability assurance from Homeowner Policyholders which qualify under the rules duly adopted by the Society. Umbrella Liability is provided over declared Primary Liability Insurance. The insurance is designed to cover persons, executives and professional men and women.

The policy will pay, on behalf of the assured, the ultimate net loss in excess of the retained limit which the assured shall become legally obligated to pay as damages because of Personal Injury or Property Damage. Retained limit is the limit on other policies that the assured is required to carry, or the Self-Insured Retention (Deductible), for those exposures where primary coverage is not required. Ultimate net loss is the amount actually paid in settlement or satisfaction for a loss in which the insured is liable.

B. LIMITS OF LIABILITY

Manual rates and minimum premiums are for a basic policy limit of \$1,000,000. Increased limits up to a total policy limit of \$5,000,000 may be provided in accordance with the applicable rating rule. These limits contemplate that the basic Self-Insured Retention (Deductible) shall be \$0. A higher deductible may be selected.

C. INELIGIBLE EXPOSURES

The following exposures are not eligible for coverage under this program:

1. Politicians
2. Public Lecturers
3. Radio and TV Broadcasters and Telecasters
4. Newspaper or Magazine Reporters, Editors or Publishers
5. Labor Leaders
6. Prominent Figures - Actors, Actresses, Professional Athletes or others who are in the Public Limelight.
7. Persons who represent a Moral Hazard or anyone who has been sued for Libel or Slander.
8. Automobile drivers with more than one moving violation or at-fault accident in a three-year period or any convictions for reckless driving or driving while intoxicated. (Renewals-see V.G. SPECIAL RULES C)
9. Bed and Breakfast Exposures
10. Law Enforcement Officials
11. Home Day Care Exposures
12. Risks with unfenced pools or pools with a diving board or slide
13. Trampolines
14. Skateboard ramps
15. 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
16. Any assigned risk government sponsored or non-standard auto risk
17. Ride sharing or home sharing exposures (EX: UBER, AIRB&B)

D. MINIMUM REQUIRED UNDERLYING LIABILITY LIMITS

The following limits are minimum only. **Higher limits may be required on certain risks as determined by underwriting.**

All underlying liability coverages must be written by companies rated B+ or better by A.M. Best Company and such underlying coverages must be written on standard forms.

- | | |
|--|--|
| A. Personal Liability – Comprehensive Personal Liability or Liability Section of a Homeowners Policy | \$300,000 each occurrence |
| B. Automobile Liability | |
| I. With inexperienced drivers (age 25 or under or licensed less than 5 years) with one moving violation within a three year period | \$500,000/\$500,000 Bodily Injury
or
\$500,000 Combined Single Limit |
| II. All other | \$300,000/\$300,000 Bodily Injury
or
\$250,000/\$500,000 Bodily Injury
\$100,000 Property Damage
or
\$300,000 Combined Single Limit |
| C. Non-Licensed Recreational Vehicles (Off Premises Liability) | \$300,000 each occurrence |
| D. Watercraft Liability | \$300,000 each occurrence |
| * <u>Note</u> : No Personal Umbrella Coverage is available for any Watercraft greater than 50 feet in length or on any Watercraft requiring a crew | |
| E. "INCIDENTAL" Business Property | \$300,000 each occurrence |
| * <u>Note</u> : Only available when rentals owned is three or less | |

E. RATING

TERRITORY DEFINITIONS

1. Territory I is Fairfax and Arlington, VA and includes policies with out of state exposures.
2. Territory II is All Other Areas of VA

A. Personal Liability

- | | |
|--|------|
| 1. Initial residence | \$60 |
| 2. Each additional owner-occupied residence (seasonal) | \$20 |
| 3. Residence located in Territory I or out of state | \$45 |
| 4. Pools | \$25 |

B. Automobiles, Motor Homes and Motorcycles owned, leased, furnished or regularly used by insured, spouse, ward or resident relative

- | | |
|---|---|
| 1. Initial vehicle | \$60 |
| 2. Each additional vehicle | \$50 |
| 3. Antique registered vehicle for use on public roads | \$25 |
| 4. Each inexperienced operator | \$55 |
| 6. Trailers (25' in total length or >) | \$20 |
| a. Any trailer <25' total length | no charge |
| b. Multiple trailers (regardless of the # of trailers owned, only charge for the number of trailers equivalent to the properly equipped vehicles on the underlying auto policy) | # of veh w/tow hitch x \$20 subject to 25' or > |

- | | |
|--------------|------|
| 7. Motorhome | \$55 |
|--------------|------|

C. Recreational Vehicles

All Snowmobiles, Dune Buggies, All Terrain Vehicles (ATV's), Minibikes, Trail Bikes or any other vehicles not licensed for Highway use and insured for use off the insured's premises	\$25 each
---	-----------

D. Watercraft

Charge Per Boat

- | | |
|---|-----------|
| Non powered and sailboats up to 26 feet in length | No Charge |
| Sailboats greater than 26 feet, but 50 feet or less in length | \$ 15 |
| Sailboat's greater than 50 feet in length (decline) | Refer |
| Power boats less than 26 horsepower | No Charge |
| Power boats with total combined horsepower of 26 – 50 | \$ 15 |
| Power boats with total horsepower of 51 - 300 | \$ 25 |
| Power boats with total horsepower of 301 – 400 | \$ 50 |
| Total Horsepower 401 – 500 | \$ 80 |
| Total Horsepower 501 – 600 | \$120 |
| Total Horsepower 601 – 700 | \$150 |
| Total Horsepower 701 – 800 | \$200 |
| Total Horsepower > 801 | Refer |
| Jet Powered Watercraft (Jet Skis) | \$100 |

Mutual Assurance Society of Virginia Policy Manual (Confidential and Proprietary)

E. "INCIDENTAL" Business Property

- | | |
|--|-----------|
| 1. Each professional office located in insured's home with business invitees | \$10 |
| 2. Each residence rented or leased or held for rental or leased to others (a 2F dwelling is charged as 2 units/residences) | \$20 each |
| 3. Owned farm land from which the insured is remunerated, but does not farm personally | \$25 |

F. Available Credits

When the underlying policy limits are \$500,000 or greater, the following credit scale will apply up to a maximum of a \$20 credit per umbrella policy.

This credit will apply once per underlying line of business, and if there are multiple underlying policies for the same line of business, then all must meet the limit requirements in order for the credit to apply.

- | | |
|--|------|
| 1. Personal Liability Limit \$500,000 or higher | \$10 |
| 2. Automobile limits \$500,000/\$500,000 BI**
or
\$500,000 CSL or higher | \$10 |

**Not applicable when required as minimum limits.

3. Increased Self-Insured Retention

- | | |
|-----------|------|
| a. \$ 500 | \$ 3 |
| b. 1,000 | \$ 5 |
| c. 5,000 | \$ 7 |
| d. 10,000 | \$ 9 |

G. Annual First \$1,000,000 Minimum Premium \$155

H. Increased Limits Factor

EACH additional \$1,000,000 in excess of \$1,000,000 to a total Policy limit of \$5,000,000	50% of the premium charged for the first \$1,000,000 for EACH additional \$1,000,000 of coverage
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F. ENDORSEMENTS

A. MAS-103 Exclusion – Named Driver Exclusion Endorsement

Attached when a driver in the assured's household, with an unsatisfactory MVR, is excluded from coverage under the Personal Umbrella Liability Policy.

MAS-103 must be signed by the driver being excluded as well as all named assureds.

B. MAS-104 Exclusion – Designated Vehicle

Attach when a motorized vehicle owned, leased or furnished does not qualify for coverage or has underlying liability limits below required minimum

C. MAS-109 Exclusion – Designated Watercraft

Attach when watercraft does not qualify for coverage or has less than minimum underlying liability limits

D. MAS-111 Exclusion – Business Property Premises

Must be attached when residences rented or leased or held for rental or leased to others exceeds three (3). This excludes all residences rented or leased or held for rental whether or not there is underlying coverage.

E. MAS-115 Specified Business Activities

Attach when underlying coverage includes a Business Pursuits endorsement.

F. MAS-116 Fungi, Wet or Dry Rot or Bacteria Exclusion

Fungi, Wet or Dry Rot or Bacteria Exclusion standard endorsement added 2005.

G. SPECIAL RULES

A. Applicant's Health Statement and/or Physician's Statement may be requested by underwriting on an as needed basis.

B. Motor Vehicle Reports will be required on each operator on every new risk and at renewal thereafter as follows:

1. Inexperienced operators – every year (Age 25 or less or licensed less than 5 years.)
2. Any operator with current or past at-fault accidents or violations – every year until record is clear for three (3) years.
3. All other operators – as deemed necessary by underwriting, but at least every three (3) years.

C. Renewals:

The following replaces V.C. INELIGIBLE EXPOSURES (8) when processing a renewal:

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.

H. AUTHORIZED FORMS AND ENDORSEMENTS

MAS-52	(1/1/2017)	Special Amendatory Endorsement
MAS-101	(1/1/2003)	Personal Umbrella Liability Policy
MAS-103	(7/1/2004)	Named Driver Exclusion Endorsement
MAS-104	(1/1/2003)	Exclusion - Designated Vehicle Endorsement
MAS-109	(1/1/2003)	Exclusion – Designated Watercraft
MAS-111	(1/1/2003)	Exclusion – Business Property Premises
MAS-115	(1/1/2003)	Specified Business Activities
MAS-116	(1/1/2005)	Fungi, Wet or Dry Rot or Bacteria Exclusion

I. GENERAL PROCESSING PROCEDURES (AGENCY)

- a. Agencies representing the Society do not have authority to bind the Society for coverage under any Personal Umbrella Liability Policy.
- b. Each agency will be responsible for furnishing the application for Personal Umbrella Liability Policy (Form MAS-102) to any interested assured.
- c. Each agency must verify that the applications are completed accurately and legibly. Incomplete applications will be returned to the agency before any underwriting review is conducted.
- d. Each agency must forward to the home office the completed application.
- e. Upon receipt of the application file, it will be reviewed by the home office underwriting section. We will attempt to resolve any questions or concerns through the submitting agency; however, when deemed appropriate, we will contact the applicant directly.
- f. If the application is acceptable as submitted, we will order motor vehicle reports on each licensed driver in the applicant's household. Upon receipt of satisfactory MVR's and final approval of the application, a policy will be issued from the home office and forwarded to the agency for delivery.
- g. Each year 60 days prior to policy anniversary, a questionnaire is mailed to the policyholder to be completed.