

Maine New Business Risk Management Policies

Homeowners

Applies to endorsements in both open and closed companies

Effective: March 6, 2023

Administrative Requirements

- Applications can be bound effective a maximum of 180 days future effective.
- Backdated applications are ineligible. Search “BDE” on Agency Gateway to review guidelines regarding backdated endorsements.
- Down Payment and any prior outstanding balances as required by the system must be met.

Consumer Reports

- Loss history reports must be run on named insured and spouse/domestic partner/state registered civil union partner prior to binding coverage.
- Credit history information must be ordered on named insured and that named insured’s spouse/domestic partner/state registered civil union partner prior to binding coverage. Note: Applicants who provide proof of extraordinary medical or other circumstances will be reconsidered as appropriate.
- MVR must be ordered on named insured and spouse/domestic partner/state registered civil union partner prior to binding coverage (if licensed).

Insurable Interest

- Dwelling must be occupied by the named insured(s) and used for residential purposes.
- Policy must be in the name of an individual or individual and spouse/domestic partner/state registered civil union partner.
 - All individuals that are not a spouse/domestic partner/state registered civil union partner may be added as an additional insured if they have financial interest in the insured property.
 - Corporations, businesses, LLCs, partnerships, estates, homeowner associations,

marinas, and US National Park Services are unacceptable.

- Living Trusts may have an insurable interest, and are acceptable, but only when endorsed with the appropriate endorsement.
- Living Trust
 - The Additional Insured Trust Endorsement is utilized.
 - The Living Trust must have a legal title to the residence that is not also titled in the name of a Limited Liability Company.
 - The Grantor (s) must regularly occupy the residence premises or the Grantor (s) occasionally occupy the dwelling *and* the risk is rated as a secondary/seasonal dwelling;
 - A copy of the Trust documentation must be retained in the agent's office.
 - The following information must be supplied when completing the Additional Insured Trust Endorsement:
 - Exact name of the Trust
 - Exact name and address of the Trustee (s)
- All other parties should be listed as an Interested Party.

Loss History

- Dwelling Ages 0-89: Maximum of 2 losses in the past 5 years
 - No more than 1 Fire loss
 - No more than 1 Theft/Liability/Vandalism loss
 - No Liability dog bite loss allowed
 - No more than 1 Water loss
- Dwelling Ages 90+: Maximum of 1 loss in the past 5 years
 - No Liability dog bite loss allowed

Peril Definitions

- Fire: fire, explosion, smoke (excluding lightning).
- Theft: theft on and off premises, mysterious disappearance on and off premises, burglary, credit card fidelity, theft from an unattended vehicle.

- Liability: any type of liability (excluding medical payments).
- Vandalism: vandalism and malicious mischief, riot, civil commotion.
- Water: water, freeze, water backup.

Allstate customers relocating to a new primary property:

- For eligibility purposes, allow 1 additional loss for:
 - Insureds who have 1+ years of active primary property support.
 - Property support is defined as an Allstate or Castle Key brand Homeowner, Renters, Owner Occupied Condominium, or Manufactured Home
 - Zero pay losses will not be counted for eligibility purposes in these situations.
 - The customer's new primary home must meet all other eligibility requirements

Loss History Reference:

- Losses include both catastrophic and non-catastrophic losses.
- Losses not belonging to the name insured (s) will not be considered.
- Losses that occurred at the residence premises to be insured before the applicant assumed ownership will not be considered.
- Losses that occurred on a tenant occupied policy will not be considered on owner occupied applications.
- Inquiries are not considered in the evaluation of Prior Loss History.
 - "Inquiry" means a question regarding a policy's provisions, terms, conditions and limitations, where no loss has been sustained.

Fire Protection

- Town Classes 1-10 are eligible.
- The property must be located less than or equal to 10 miles of the primary responding fire department as determined by ISO.
- Properties not located within a designated fire district are not eligible.

Prior Insurance

- Prior Insurance not required for eligibility purposes.
- If the insured has had a previous Allstate or Castle Key property policy terminated for cause all reasons for termination must have been remediated.
- Terminating existing policies that are eligible for renewal in order to re-write as New Business in the same underwriting company at the same property address is not permitted. Note: This does not pertain to Special Business Option Processing (SBO), which is to be utilized only for marital split offs, transfers/customer moves, and cancel/rewrites.

Ineligible Dwellings

- Risks with unacceptable inspection results (see Inspection Requirements).
- Homes that are in foreclosure, are abandoned or are condemned.
- Vacant dwellings are unacceptable – Insured premises must be occupied within 30 days of the coverage effective date.
- Dwellings in the course of construction unless the “Course of Construction” endorsement is present.
 - The course of construction endorsement must be removed within 12 months.
- Mobile and manufactured homes.
- Camper Trailers.
- Commercial or agricultural storage/utility or metal pole barns converted into residential structures.
- Commercial exposures are ineligible unless listed below:
 - Photography studio
 - Interior design
 - Architect
 - Accountant/bookkeeper
 - Locksmith/key shop
 - Real estate sales

- Appliance/machine/computer repair
 - Tailors/seamstress
 - One-chair hair salon
 - Music instruction
 - Tutoring
 - Any home-based business for which an active Allstate Business Owners Policy exists (see ABI Underwriting Guides for eligible business entities).
- Dwellings where a Home Day Care is being operated on the residence premises are ineligible unless the following criteria are met:
 - No more than 12 children unrelated to the Named Insured participate in the Day Care at any one time
 - The Day Care is being operated at the Named Insured's primary residence
 - The Maine Department of Health and Human Services must have certified the Day Care provider under 22 M.R.S.A § 8301-A(3).
 - The Named Insured must provide documentation of liability coverage for the family day care business operation at the minimum equal to the homeowner liability limits
 - OR
 - Home Day Care Coverage (Coverage DC) must be endorsed on the policy at all times while the Home Day Care is in operation.
 - Dwellings with pre-existing damage to dwelling, foundation, or outbuildings that has not been repaired.
 - Risks with adjacent exposures that present unacceptable hazards (such as gas stations, salvage yards, abandoned buildings). The property boundary includes or borders visible unacceptable hazards such as Gas Stations, Salvage yards, Vehicle Repair shops, fabrication businesses, and businesses that store chemicals / fertilizers
 - Dwellings with attractive nuisances including, but not limited to, unfenced or in-ground empty pools (retractable hard covers are acceptable in lieu of a fence), rented pools, and permanent skateboard or bicycle ramps.
 - Relocated dwellings.
 - Dwellings not accessible year-round or are not located on all-weather accessible roads.

- Risks in which the applicant, or any other occupant of the dwelling owns or keeps on the premises:
 - Any dog which displays vicious or dangerous tendencies.
 - Any wild, exotic, non-domesticated, dangerous or vicious animal.
- Dwellings with illegal trade, business, or activity being conducted.
- Log construction > 20%.
- Dwellings with an inability to determine replacement cost (example: tiny/micro homes, barndominiums, shipping container homes, berm homes, geodesic homes, etc.).

Coverage Limits and Deductible Requirements

Coverage Limits

- Dwelling with a Coverage A or estimated replacement cost greater than \$1.5 million are ineligible.
 - Dwelling values (Coverage A limit or estimated replacement cost) equal to or greater than \$750,000 or square footage equal to or greater than 4,500– refer to the High Value Home requirements.
- Dwelling Coverage Amount (Coverage A) must be at least 100% of the estimated replacement cost as developed through the Residential Component Technology™ (RCT), or Property Services inspection.
- Maximum allowable Coverage A can be up to 150% of the estimated replacement cost.
- The insurable value attributable to any one outbuilding cannot exceed 30% of the Coverage A limit. Coverage B limit selected must be sufficient to cover all Other Structures at the residence premises.

Deductible Requirements

- Minimum All Peril: \$750

Other Requirements

High Value Home

- Dwelling values (Coverage A limit or estimated replacement cost) equal to or greater than \$750,000 or square footage equal to or greater than 4,500 must meet the following criteria:
 - Interior and exterior evaluations will occur.
 - Dwellings built pre-1930 are ineligible (regardless of renovations).
 - Homes on the State or National Registry of Historic Homes, or the National Register of Historic Places are ineligible.
 - Must include the Building Structure Reimbursement Extended Limits endorsement (BSREL).
 - Dwellings in the Course of Construction are not eligible for BSREL.
 - Town Class 10 is ineligible
 - Select Value is not permitted.
 - Seasonal and secondary residences are ineligible.

Select Value

- Must meet all Homeowner eligibility requirements along with the following additional criteria:
 - A dwelling in the course of construction is ineligible.
 - Select value policies with an amount of insurance under \$250,000 cannot purchase water back-up limits greater than \$10,000.
 - Select value policies – BSREL and Coverage BC (Building Codes) are ineligible.
 - The dwelling is to be insured for no more than the current market value.

Seasonal/Secondary

- Must meet all Homeowner eligibility requirements, and:
 - Customers must have a renewable Allstate or Castle Key Homeowner, Condominium, or Renters on the primary residence policy in force.

However, this policy can be sold to customers who have already decided to purchase a primary property policy from Allstate or Castle Key and who, at the same time, ask

to insure their secondary/seasonal dwelling with Allstate or Castle Key. Customers who request to purchase only a secondary/seasonal dwelling policy and do not have an existing renewable primary property policy in-force should simply be informed that secondary/seasonal dwelling policies are sold only as an accommodation under those circumstances; they should never be told that if they purchased a primary property policy at the same time, they could be sold secondary/seasonal dwelling policy. Allstate and Castle Key company policy prohibits the sale of a secondary/seasonal dwelling policies in any way being conditioned on the purchase of another policy with Allstate or Castle Key, and you must avoid creating even the appearance of violating this company policy.

- Loss History is the combination of Primary and Secondary losses and must meet the loss history guidelines as outlined above.
 - In addition, the seasonal/secondary residence must have 0 water and 0 theft/liability/vandalism losses in the past 5 years.
- Secondary Property held for rental or loaned is ineligible unless Host Advantage coverage exists on the policy or the property is rented through the Airbnb platform for home sharing.
- Ineligible if the dwelling value (Coverage A limit or estimated replacement cost) of Seasonal/Secondary Homeowners is equal to or greater than \$750,000, or equal to or greater than 4,500 square feet.

Other

- Inspection roof rating 1 and 2 are acceptable.
 - Dwellings with roof rating 2 are not eligible to carry the Roof Surfaces Extended Coverage Endorsement.
- No more than one primary residence is permitted.
- 1-4 Family Dwellings are eligible. *All 2-4 Family Dwellings require the Extended Premises Endorsement (including Builders Risks).*
- Any vehicles owned to service insured premises which are not designed for use on public roads and not subject to motor vehicle registration must have less than 40 horsepower.
- Construction or remodeling must be completed by a licensed contractor.

- Wood Burning Stoves are eligible if installed by a licensed contractor.

Moratorium

- In the event of a catastrophe or impending catastrophe, Risk Management may invoke a moratorium on new business and/or endorsements. In such events, a written operating standard will be sent to all channels outlining specific requirements to follow.