

Texas

State Auto[®]
Dwelling Fire Manual



This manual contains rules applicable to the Dwelling Fire Program.

Refer to the policy or endorsement forms for the details of the coverage for which rules are provided in this manual.


Changes in the manual rules will be announced. Information that includes the following symbol () indicates a change.

Table of Contents

Table of Contents

I - NEW BUSINESS UNDERWRITING GUIDELINES

II – GENERAL RULES

III - INELIGIBLE RISKS

III - INELIGIBLE RISKS (continued)

IV - BINDING AUTHORITY

IV - BINDING AUTHORITY (continued)

V – PERILS INSURED AGAINST

VI – MANDATORY ENDORSEMENTS/REPLACEMENT COST

VII – CANCELLATIONS OR REDUCTIONS

VIII – MULTIPLE LOCATIONS

IX – TERRORISM

X – CREDITS AND CHARGES

X.1 - Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing

X.2 - Deductibles

X.3 - Dwellings Under Construction

X.4 Financial Stability Rating

X.5 – Fortified Certification

X.6 - Loss Experience Rating

X.7 – New Construction Factor

X.8 - Protective Devices

X.9 – Roof Construction

X.10 – Smart/Connected Home

X.11 Solid Fuel Heating Device Surcharge

X.12 – State Auto Employee Discount

X.13 - Superior Construction

X.14 Windstorm or Hail Exclusion - Texas

XI – PAYMENT OPTIONS

XII – OPTIONAL COVERAGES

XII.1 – Coverage B – Other Structures

XII.2 – Coverage D – Fair Rental Value and Coverage E – Additional Living Expense

XII.3 – Earthquake Coverage

XII.4 – Fire Department Service Charge

XII.5 – Foundation Coverage

XII.6 – Limited Theft Coverage

State Auto – Dwelling TEXAS

XII.7 – Ordinance or Law Coverage

XII.8 – Sinkhole Collapse

XII.9 – Trees, Shrubs and Other Plants

XII.10 – Theft of Building Materials

XII.11 – Vandalism and Malicious Mischief

XII.12 – Water Backup and Sump Overflow

XII.13 – Water Damage Coverage

XII.14 – Windstorm or Hail – Awnings, Signs, Outdoor Radio and Television Equipment

Windstorm or Hail is not provided for (All Forms):

XIII – LIABILITY COVERAGES

XIII.1 – Premises Liability – Non-Owner Occupied Dwelling

XIII.2 – Personal Liability – Owner Occupied

XIII.3 – Optional Endorsements -Personal Liability – Owner Occupied

XIV – FORMS AND ENDORSEMENTS

I - NEW BUSINESS UNDERWRITING GUIDELINES

A. Entire State

<u>Eligibility Guidelines</u>	DP 00 01	DP 00 02	DP 00 03
Minimum Coverages: Coverage A	\$35,000		
Coverage C	\$1,000		
Secondary or Seasonal Residence - Coverage A	\$35,000		
Secondary or Seasonal Residence - Coverage C	\$1,000		
Personal or Premises Liability	\$100,000		
Medical Payments	\$1,000		
Insurance to Value	Coverage not to exceed Actual Cash Value	<ul style="list-style-type: none"> • If Replacement Cost Coverage is desired, dwelling coverage must be no less than 80% of the returned replacement cost, and no more than 125% of the returned replacement cost. • If Replacement Cost Coverage is not desired, coverage on the dwelling is to be written on a DP 0001 policy. 	
Town or Rowhouse	Eligible		
# of Family Units	More than six individual family units for an insured is ineligible. Note – each location is to be written on a separate policy.		
Loss History	No more than three paid losses are permitted in previous three years (excluding mold damage claims provided certification form MDR-1 has been completed by a qualified mold remediation inspector).		
	<p>In-Ground Pools:</p> <ul style="list-style-type: none"> • A 4' fence with locked gate is required unless the pool has a motorized track type safety pool cover or if a natural barrier is present, reducing visibility of the pool. • Pools with diving boards are eligible if the board is no more than 20 inches above the water level, and the pool has a minimum depth of 8 feet in the diving area. • Pools with slides are eligible with a minimum pool depth of 5 feet in the slide area. <p>Above-Ground Pools:</p> <ul style="list-style-type: none"> • A 4' fence with a locked gate or a ladder that can be retracted and locked. • Diving boards and pool slides are ineligible with above ground pools. 		

I - NEW BUSINESS UNDERWRITING GUIDELINES (continued)

B.Coastal Area

Coastal Properties – Including Wind Coverage
Tier 1 (TWIA) Consists of the following counties: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy and a portion of southeastern Harris County
The following requirements must be met: <ul style="list-style-type: none">• All exterior windows have either hurricane shutters or impact resistant glass• Year of construction must be 1996 or newer• Carry a flood insurance policy up to Coverage A amount for Zones A and V• Maximum Coverage A is \$2,000,000• If Unit Owner Condominium policy, must be located on the second floor or higher• If owner occupied, must be the primary residence requiring year round occupancy• Must be owner occupied if policy form is DP0002 or DP0003
Tier 2 Consists of the following counties: Bee, Brooks, Fort Bend, Goliad, Hardin, Harris County (excluding the Southeastern portion of the county), Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, and Wharton.
The following requirements must be met: <ul style="list-style-type: none">• Carry a flood insurance policy up to Coverage A amount for Zones A and V• If Unit Owner Condominium policy, must be located on the second floor or higher

Coastal Properties – Excluding Wind coverage (Windstorm or Hail Exclusion is only offered in Tier 1 area)
Tier 1 (TWIA) Consists of the following counties: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy and a portion of southeastern Harris County
The following requirements must be met: <ul style="list-style-type: none">• If Unit Owner condominium policy, must be located on the second floor or higher• Carry a flood insurance policy up to Coverage A amount for Zones A and V

II – GENERAL RULES

II.1 Construction Definitions

Frame

Exterior wall of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports. Also includes aluminum or plastic siding over frame and hardi-plank.

Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roofs of combustible construction (Disregarding floors resting directly on the ground).

Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

II.2 Superior Construction Definitions

Non-Combustible

Exterior walls and floors and roof constructed of and supported by metal, asbestos, gypsum, or other non-combustible materials.

Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in Masonry Construction) and floors and roof of metal or other non-combustible materials.

Fire Resistive

Exterior walls and floors and roof constructed of masonry or other fire resistive materials or any construction with exterior walls, floors, joists, studs, and roof trusses treated with Intumescent Fire Retardant Coating, No-Burn® Wood Gard Mih or No-Burn® Plus Mih.

II.3 Seasonal Dwelling Definition

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

II.4 Single/Separate Building Definition

A. Single Building Definition

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

B. Separate Building Definition

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
 - a. A 6 inch reinforced concrete of an 8 inch masonry party wall; or
 - b. A documented minimum 2 hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

II.5 Protection Class

A. The protection class listings returned by ISO LOCATION® (PPC™) will apply to risks insured under Dwelling Fire Policies.

B. Single Class Areas

In a classified area where the primary responding fire department has a single classification (e.g. 6), use the designated classification for all properties located within the classified area. The property must be located within five miles of the responding fire department.

C. Multiple Class Areas

In a classified area where two or more classifications are shown for the primary responding fire department, the classifications will be displayed as “#/#X” (e.g. 6/X that was formerly published as 6/9), “#/#Y” (e.g. 6/6Y that was formerly published as 6/8B) or “#/10” (e.g. 6/10). The classification is assigned as follows:

Distance to Primary Responding Fire Department	Protection Class
a. 5 road miles or less and within 1,000 feet of a hydrant	Use the first class shown (e.g. 6/6X), use class 6
b. 5 road miles or less and over 1,000 feet to hydrant	Use the second class shown (e.g. 6/6X), use 6X
c. More than five, but less than seven road miles and within 1000 feet of hydrant	Use Class 10W
For properties not qualifying for a, b., or c. above	Use class 10

III - INELIGIBLE RISKS

- Brokered Business in which the transaction is facilitated by a third party to the agent and insured.
- Any applicant convicted of arson.
- Vacant or unoccupied Dwellings.
- Farm Properties
- Historic Homes or Homes on a Historic Registry
- Homes with more than 6 family units
- Homes with more than 5 roomers or boarders per family unit
- Dwellings where the Named Insured lives more than fifty miles from the property without a property management company or a third party assigned to manage the property
- Dwellings or related private structure with a tenant business occupancy
- Mobile homes, trailer homes, log homes, earth homes or pole barn dwellings
- Dwellings with aluminum wiring
- Dwellings with knob and tube wiring
- Dwellings with less than 100 amp electrical service or have fuses
- Dwellings without a continuous, closed, masonry foundation
- Dwellings with tainted/Chinese drywall
- The dwellings primary heating source is a solid fuel heating device
- Homes with a solid fuel heating device and a prior solid fuel heating loss
- Homes with a solid fuel heating device in a workshop, garage or outside structure.
- Solid Fuel heating devices not tested by a reputable heating facility such as UL, OMNI or Intertek
- Solid Fuel heating devices not professionally installed
- Dwelling in or upon foreclosure proceedings
- Any dwelling located in a protection class 10 or 10W that is not located on an all-weather road and/or visible from the road or other homes in all seasons
- Homes with roofing over 20 years old unless the ACV Wind Hail Losses to Roof Settlement Endorsement is applied to the policy. If the roof type is metal, tile, concrete or slate, this would also be acceptable if over 20 years old
- Any dog on the residence premises of the following breeds (or any mix of these breeds): Pit Bull, Staffordshire Terrier, Great Dane, Presa Canario, Akitas, Alaskan Malamute, Sharpei, Rottweiler, Wolf Hybrids, Chow, German Shepherd, Siberian Husky, Doberman Pinscher or other fighting breeds.

III - INELIGIBLE RISKS (continued)

- Any dog with a previous bite history, aggressiveness or which is unrestrained; and
 - Any exotic animal that may be aggressive or dangerous
- Homes with wildfire risk score of 81 or greater

IV - BINDING AUTHORITY

The agent may bind coverage on any risk, which meets the eligibility guidelines, if:

- A.** The required application(s) and option selector(s) are fully completed, signed by the Named Insured and the Agent, and electronically submitted to the Company within seven (7) working days of the effective date of coverage.
- B.** The effective date will meet the following parameters from the original date quoted:
 1. Forty-five (45) calendar days in advance.
 2. Any necessary documents, such as appraisals, bill of sale, certificates, etc. for verification purposes must be retained in the agent’s file (unless noted in the specific rule) to be available for company audits.

Earthquake Moratorium – Do not bind any property coverage for 72 hours or any earthquake coverage for 30 days after a Seismic event of a 4.5 or greater on the Richter Scale. This applies to both dwelling fire and homeowner policies.

Seismic Event Richter Scale	Mile Radius of Epicerter	Do Not Bind Property Coverage	Do Not Bind Earthquake Coverage
4.5 – 5.9	250 Miles	72 Hours	30 Days
6.0 or greater	500 Miles	72 Hours	30 Days

Coastal Property Moratorium

Providing property insurance in coastal areas requires special underwriting consideration, primarily due to hurricane exposure. Therefore, we are providing the following guidelines for property risks located in coastal areas. For your guidance in handling new risks or placing additional coverage for existing accounts during a **Hurricane Watch** or **Hurricane Warning**, our guidelines are as follows:

From the time the National Hurricane Center (NHC) issues a **Hurricane Watch/Warning** until 24 hours after the watch or warning is lifted, no new business, increases in existing business, or reduction of any deductibles may be written or bound in the following counties: Angelina, Aransas, Atascosa, Austin, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Colorado, DeWitt, Duval, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Grimes, Hardin, Harris, Hidalgo, Houston, Jackson, Jasper, Jefferson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Liberty, Live Oak, Madison, Matagorda, McMullen, Montgomery, Nacogdoches, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Augustine, San Jacinto, San Patricio, Shelby, Starr, Trinity, Tyler, Victoria, Walker, Waller, Washington, Webb, Wharton, Wilson, and Zapata.

For further information refer to our current Hurricane Bulletin issued at the start of each Hurricane Season. Hurricane Season runs from June 1st through November 30th each year.

IV - BINDING AUTHORITY (continued)

Wild Fire/Active Fire Line	Agents need to get company approval before binding any new business or increasing current exposures for personal lines property, inland marine and auto coverages located within 15 miles of any existing wild fire or active fire line.
-----------------------------------	--

V – PERILS INSURED AGAINST

The Dwelling Policy Program Forms provide coverage for loss by the perils listed.

PERILS INSURED AGAINST	DP 0001 Basic Form	DP 0002 Broad Form	DP 0003 Special Form
Fire or Lightning, Internal Explosion	Yes	Yes	Yes
Extended Coverage: Windstorm or Hail; Explosion, Riot, or Civil Commotion, Aircraft, Vehicles, Smoke, Volcanic Eruption	No	Yes	Yes
Vandalism or Malicious Mischief	No	Yes	Yes
Breakage of glass, Burglars, Falling objects, Weight of ice, snow or sleet, Collapse of buildings. Accidental discharge of water or steam. Sudden cracking of a steam or hot water heating system, Freezing, Sudden damage from artificial electric currents.	No	Yes	Yes
Additional Risks with certain exclusions (Special Coverage)	No	No	Yes Cov. A & B

VI – MANDATORY ENDORSEMENTS/REPLACEMENT COST

- A.** Endorsements **DP0142 & DL2542**, Special Provisions - Texas and **DP0552**, Limited Fungi or Microbes Coverage - Texas, shall be attached to all Dwelling Policies.
- B.** At renewal, on forms DP0002 and DP0003 the dwelling's estimated replacement cost and Coverage A will be adjusted based on the updated replacement cost returned from Marshall & Swift Boeckh (MSB) reflecting current construction costs. The renewal premium will be based on the new Replacement Cost and Coverage A limit.

VII – CANCELLATIONS OR REDUCTIONS

If insurance is cancelled or reduced at the request of either the insured or the company, the earned premium shall be computed on a pro rata basis.

VIII – MULTIPLE LOCATIONS

A Dwelling Policy may be issued to provide insurance at one described location per policy. Insureds requesting insurance for multiple dwelling fire locations are required to submit a new application for each location and a separate policy number will be issued for each insured property.

IX – TERRORISM

A. The "Terrorism Risk Insurance Act" and accompanying regulations establish a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism committed by an individual(s), provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for: a percentage (provided in the Table **A** below and which must be disclosed, as described in Paragraphs **C** and **D**) of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year; this provision serves to limit insurers' liability for losses.

The Federal Government will reimburse individual insurers based on the following percentages:

Federal Government Reimbursement Percentages By Year	
Year	Percentages
2015	85%
2016	84%
2017	83%
2018	82%
2019	81%
2020	80%

Table A, Federal Government Reimbursement Percentages By Year

IX – TERRORISM (Continued)

- B.** All insurers providing commercial property and casualty insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Certain risks written under the Dwelling Policy Program may be considered commercial exposures for the purposes of this act and hence eligible for participation in the program. The following may be considered commercial exposures:
- 1.** 1 – 4 family rental dwellings owned for the business purpose of generating income for the property owner; or
 - 2.** Policies on which incidental business premium is more than 25% of total direct earned premium.
- C.** The following applies to those insurers offering Dwelling policies who choose to be eligible for federal reinsurance by making the disclosures needed for such eligibility.

An insurer must extend coverage to insureds for losses caused by certified acts of terrorism. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy. Insurers may disclose the premium information on the Declarations or elsewhere in the policy.

- D.** There are no terrorism exclusions in the Dwelling Policy Program. The following endorsements specify that coverage for certified acts of terrorism is subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard. Attach endorsement Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act Endorsement **DP 0538 and/or DL2489** (Applicable To Liability Only)

X – CREDITS AND CHARGES

X.1 - Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing

Provides ACV loss settlement for roof surfacing when loss is caused by the peril of Windstorm or Hail. Applies to DP 0002 and DP 0003.

Use Endorsement **DP0475** – Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing.

X.2 - Deductibles

All Dwelling Policies are subject to a deductible that applies to loss from all perils covered, except Earthquake, under the policy on an occurrence basis. A separate deductible provision applies to Earthquake Coverage as described in the Earthquake rule.

When a separate deductible amount applies to a certain peril such as Windstorm or Hail, also enter that deductible amount and peril on the Dwelling application.

- A.** The minimum deductible is \$500 flat dollar or 1% percentage.
- B.** Additional optional deductibles are as follows:

Additional Deductible Options	
\$1,000	1.5%
\$1,500	2%
\$2,500	3%
\$5,000	4%
\$10,000	5%

- C.** Windstorm or Hail Deductibles

A Windstorm or Hail deductible may be selected for any available all other perils deductible amount, as long as the windstorm or hail deductible amount selected is equal to or exceeds the all other perils deductible amount selected. The following deductible options are available on DP2 and DP3 policies:

Wind/Hail Percentage Deductible
1%
1.5%
2%
3%
4%
5%

Windstorm or hail deductibles do not apply to DP1 policies.

Properties located in counties that are not in Tier 1 or Tier 2 are required to carry a minimum 1% Windstorm or Hail deductible.

X.2 – Deductibles (continued)

Properties in the following Tier 1 (TWIA) counties are required to carry a minimum 5% Windstorm or Hail deductible if wind coverage is not excluded:

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy and the TWIA area of southeastern Harris County.

Properties in the following Tier 2 counties are required to carry a minimum 2% Windstorm or Hail deductible:

Bee, Brooks, Fort Bend, Goliad, Hardin, Harris County (excluding the TWIA area of the Southeastern portion of the county), Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, and Wharton.

Use Endorsement **DF187** – Windstorm or Hail Deductible

X.3 - Dwellings Under Construction

Two methods are provided for insuring this exposure:

A. Named Insured is the Intended Occupant

A builder (contractor) may be designated as an additional insured. Pro rata cancellation permitted upon completion of the dwelling.

B. Named Insured is not the Intended Occupant

Dwellings in the course of construction may be insured using the Dwellings Under Construction Endorsement. Pro rata cancellation is permitted upon completion of the dwelling.

Use Endorsement **DP1143** - Dwelling Under Construction.

X.4 Financial Stability Rating

This discount or surcharge is based on the credit score ranking of the insured. We will reunderwrite and reate a policy holder based upon an updated credit report or score at the insured's or their agent's request.

X.5 – Fortified Certification

Eligibility – A one or two family dwelling that:

- A.** Has been designated and constructed in conformity with, and has been certified as meeting, the requirements of the FORTIFIED for Safer Living® standards promulgated by the IBHS FORTIFIED® standards; or
- B.** Has been designed and constructed in conformity with, and has been certified as meeting, the requirements of the 2006 International Residential Code® (or later) for One and Two Family Dwellings promulgated by the International Code Council®, including the design criteria applicable to construction in hurricane-prone regions; or
- C.** If an existing structure, has been retrofitted in conformity with, and has been certified as meeting, either the GOLD, SILVER, or BRONZE hurricane mitigation measures in the FORTIFIED Home™ program promulgated by the IBHS FORTIFIED® standards.

Verification of Improvements and Proof of Compliance

The insured must submit proof to the agent that the windstorm loss mitigation features and/or construction techniques have been implemented. This documentation should remain in the agent's file for auditing purposes. Acceptable forms of proof include either:

- A.** A written certification or report (with certification) from a licensed professional with expertise in construction techniques, building design or property inspection or appraisal, including but not limited to: an architect, an appraiser, a building inspector, or a contractor that the retrofitting technique mitigation measure has been implemented in accordance with applicable standards; or
- B.** An affidavit from the property owner certifying that the mitigation or construction techniques have been implemented. Certified copies of the applicable receipts must accompany the affidavit.

The insured is responsible for the expense associated with substantiating the installation of the windstorm loss mitigation features.

X.6 - Loss Experience Rating

The loss experience rating incorporates many types of losses as well as the number of losses in determining the impact on the policy premium.

Our loss experience modifier only considers losses that are not the result of natural causes. The modifier also does not consider claims that are filed but not paid or payable under the policy, medical payment claims, nor prior appliance-related claims filed by the insured or on the insureds property, if the damage has been properly repaired or remediated and the repair or remediation was inspected and certified.

For any claim to be considered it must exceed a threshold amount of \$500. The loss experience modifier will apply for a three (3) year experience period.

Loss experience rating also includes a separate loss free discount component that includes the same type of claims considered for the loss experience modifier except with two differences:

- 1) Includes losses with paid amounts of \$1 to \$500
- 2) The losses will be considered for a five (5) year period

Watercraft losses that modify the premium will be applied to the watercraft premium.

Losses of the following types will not result in the premium being adjusted: Contamination, Flood, Earth Movement, Earthquake, Sinkhole, and Riots, Civil Commotion and Strike.

X.7 – New Construction Factor

Applies to DP0001, DP0002 or DP0003, New Construction Factor is available.

X.8 - Protective Devices

The following protective devices are eligible for a premium credit for properly maintained installations of an approved burglar alarm, fire alarm and automatic sprinklers in the dwelling:

Protective Device Description
Central Station Burglary Alarm System
Central Station Fire Alarm System
Burglary Alarm System that Alerts the Police Department
Fire Alarm System that Alerts the Fire Department
Burglary and/or Fire Local Alarm System Including UL Approved Smoke Detectors
Sprinkler System In All Areas Including Bathrooms, Attics and Attached Structures
Sprinkler System with Sprinklers Totally or Partially Omitted in Bathrooms, Closets, Attics, Attached Structures and with Fire Detectors In All Areas Where the Sprinkler is Omitted
Temperature Monitoring System (Freeze Alarm) that Activates a Central Station Alarm

Use Endorsement **DP0470** - Premises Alarm or Fire Protection System.

X.9 – Roof Construction

This factor is based on the roof material and the age of the roof.

A. Tile, Concrete, Metal or Slate Roof applies to policies in which the portion of the roof covering the living area of the dwelling is made entirely of clay, concrete, cement-fiber, slate, or metal. Metal roof refers to the type manufactured for residential dwellings, not utility grade metal roofing.

X.10 – Smart/Connected Home

This credit will apply to the following Smart Home technologies:

- Smart Camera
- Smart Smoke Alarm
- Smart Lights
- Automatic Temperature Detection
- Water Leakage/automatic shut off
- Gas Leakage Detection/automatic shut off

X.11 Solid Fuel Heating Device Surcharge

A dollar charge will be added to all policies with an acceptable solid fuel heating device. This includes wood, corn, pellet, and coal stoves, and other similar solid fuel units, fireplace inserts and outdoor wood burning units.

Note: Refer to the ineligible risks guidelines for ineligible solid fuel risks.

X.12 – State Auto Employee Discount

Employees, immediate family (spouse, children, parents and siblings of the employee) and those employees who are insured with the In House Agency and become former employees or retirees of the State Auto Insurance Companies qualify for the Employee Discount.

X.13 - Superior Construction

The policy may be eligible for reduced rating due to Superior Construction. Refer to Construction definition page in this manual for details.

X.14 Windstorm or Hail Exclusion - Texas

The peril of Windstorm or Hail may be excluded for all coverages, except Coverage D – Loss of Use, when the property is located in a designated catastrophe area and is eligible for coverage through the Texas Windstorm Insurance Association (TWIA).

The following rules are applicable to this exclusion:

1. The exclusion is not offered on DP0001 policies.
2. The exclusion must be signed and dated by the named insured.
3. The exclusion may be removed only on the policy renewal date.

Use Endorsement **DP0551**

XI – PAYMENT OPTIONS

A. Policy Terms

12 months (Annual)

B. Billing Methods Types:

- 1. EFT:** Electronic Funds Transfer offers automated withdrawals from insured's bank account.
- 2. Credit Card:** offers automated withdrawals from insured's credit card.
- 3. Mortgagee/Escrow Billing:** must utilize the pay play option of "Full Pay"

C. Billing Methods:

Account Bill - Multi policy account bill where we will bill all of your State Auto policies together, except for any policies that are to be paid by an escrow account (billed to a mortgage company).

- 1.** All policies will share a common deduction/withdrawal date each month, according to the payment plan selected for each policy. The deduction/withdrawal date will be determined by the policy effective date of the first policy issued for the account.

D. Billing Notifications:

- 1.** Insured is notified the amount of the first deduction 14 days in advance, and thereafter, will receive notification of changes by \$1.00 or more.

E. Pay Plan Options:

- 1. Full Pay**
- 2. Monthly**
- 3. Semi-Annual** (Two Pay)

F. Billing Fees:

- 1. EFT:** \$0.00
- 2. Credit Card:** \$0.00
- 3. Full Pay:** \$0.00
- 4.** The required down payment premium, due at inception of policy term, must accompany the new business submission.

G. Additional Billing Fees may be assessed:

- 1. NSF** (Returned Payment/Non-sufficient Funds) Fee: \$25.00
- 2. Late Fee** for payments received more than four days after the payment due date: \$0.00

XII – OPTIONAL COVERAGES

XII.1 – Coverage B – Other Structures

All Forms

Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A limit. Use of this option reduces the Coverage A limit for the same loss under form DP 0001. This limit is additional insurance under forms DP 0002 and DP 0003.

XII.2 – Coverage D – Fair Rental Value and Coverage E – Additional Living Expense

A. Form DP0001

Coverage D – Fair Rental Value - Up to 20% of the Coverage A limit is available. Use of this option reduces the Coverage A limit for the same loss. Coverage may be increased. The amount recoverable each month is limited to a fraction of the total rental value amount insured under the policy. This fraction is equal to one divided by the number of months the dwelling is rented per year.

Coverage E – Additional Living Expense is not automatically included in form DP 00 01. Coverage may be added. No more than 25% of the limit is recoverable in any one month.

Attach endorsement **DP0414** – Additional Living Expense.

B. Form DP0002 or DP0003

Coverage D and E combined – up to 20% of the Coverage A limit is available for Coverage D and Coverage E combined as additional insurance. Coverage may be increased. No more than 25% of the limit is recoverable in any one month.

XII.3 – Earthquake Coverage

When earthquake coverage is provided, coverage shall apply for the coverages and limits that apply to the peril of fire.

Coverage may be added at any time, as long as an earthquake moratorium is not in effect. Once coverage is added, coverage can only be deleted at the policy expiration date.

Optional Deductibles – The minimum earthquake deductible is 5%.

Additional Deductible Options
10%
15%
20%
25%

Use Endorsement **DF0469** - Earthquake

A. EARTHQUAKE ZONES

E.Q. Zone Definition for this state:

E.Q. Zone 5 – Entire State.

XII.4 – Fire Department Service Charge

The limit provided in the basic ISO contracts is \$500. The limit provided, regardless of form selected, may be increased in increments of \$500 up to a limit of \$1,500.

Use endorsement **FI55**.

XII.5 – Foundation Coverage

The policy does not provide coverage for losses caused by seepage or leakage of water or steam. However, a homeowner policy may be endorsed to provide the following coverage for foundations:

The endorsement provides coverage for settling, cracking, shrinking, bulging or expansion of foundations, floor slab or footings that support the dwelling caused by seepage or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system.

The coverage includes the cost of tearing out and replacing any part of the building or covered property necessary to repair the system from which the water or steam escaped. The loss to the system from which the water or steam escaped is not covered.

The following rules apply:

- a) Must be paired with Water Damage coverage (DF0557).
- b) This coverage is not offered on form DP0001 policies.
- c) This coverage is removable only at renewal.

Use endorsement **DP0556**

XII.6 – Limited Theft Coverage

A non-owner occupied dwelling may be extended, for an additional premium, to provide on-premises coverage for, theft and vandalism and malicious mischief resulting from theft.

Use endorsement **DP0473** – Limited Theft Coverage.

XII.7 – Ordinance or Law Coverage

DP0001 – Coverage is not automatically included in this form but may be added by endorsement.

DP0002 and DP0003 – A limited amount of coverage is automatically included at each Described Location to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. This amount is equal to 10% of the limit of liability that applies to:

- A.** Coverage A or Unit-Owners Building Items if the insured is an owner of a Described Location;
or
- B.** Coverage B if the insured is an owner of a Described Location which is not insured for Coverage A or Unit-Owner Building Items; or

Use Endorsement **DF0474** - Ordinance or Law Coverage – Increased Amount of Coverage.

XII.8 – Sinkhole Collapse

The policy may be endorsed to cover sinkhole collapse. This endorsement is available on dwelling fire DP0002 and DP0003 forms and provides coverage for physical damage arising out of or caused by sudden settlement or collapse of the earth supporting such property. The settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formations.

Note: The earth movement exclusion does not apply to sinkhole collapse.

Use endorsement DP**0499**.

XII.9 – Trees, Shrubs and Other Plants

A. Form DP0001

Coverage for trees, shrubs and other plants is not automatically provided in this form.

Use endorsement **DP0417** - Trees, Shrubs and Other Plants

B. Forms DP0002 & DP0003

Up to 5% of the Coverage A limit is available in the basic form (subject to a \$500 per item maximum) for specified perils, except Windstorm and Hail.

Coverage for Windstorm or Hail is available in limit options of \$1,000, \$2,000, \$3,000, \$4,000 and \$5,000 (subject to a \$500 per item maximum) for an additional premium.

Use Endorsement **DP0418** – Windstorm or Hail Broad Form and Special Form

XII.10 – Theft of Building Materials

Applies to **DP0002** and **DP0003** only.

Coverage for theft of building materials and supplies may be provided by attaching the **Theft of Building Materials – DF50** endorsement to the policy. A \$500 deductible applies to this coverage.

Coverage is available at the following limits: \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 and \$50,000.

Use endorsement **DF50 – Theft of Building Materials**.

XII.11 – Vandalism and Malicious Mischief

VANDALISM & MALICIOUS MISCHIEF – Not available for DP0001. DP0002 and DP 0003 already include this coverage.

XII.12 – Water Backup and Sump Overflow

- A.** The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.
- B.** The Dwelling Fire policy may be endorsed to cover the peril of water which backs up through sewers or drains.
 - 1.** Coverage can be added at any time. A 15 day waiting period exists before coverage becomes effective. If a policy is written as new business and the prior policy afforded Water Back Up, the 15 day waiting period will be waived and coverage will be available from the inception of the State Auto Dwelling Fire policy.
 - 2.** Coverage cannot be bound if a flood or flash flood watch or warning is in place.
 - 3.** A \$1,000 deductible applies to this coverage.

Use endorsement **DF0445**.

XII.13 – Water Damage Coverage

The policy does not provide coverage for losses caused by seepage or leakage of water or steam. However, a homeowner policy may be endorsed to provide the following coverage for water damage:

This endorsement provides coverage for deterioration, wet rot, or dry rot to property described in Coverage A, B and C caused by constant or repeated seepage or leakage of water or steam from within a plumbing, heating, air conditioning, automatic sprinkler system or household appliance.

The coverage includes the cost of tearing out and replacing any part of the building or covered property necessary to repair the system from which the water or steam escaped. The loss to the system or appliance from which the water or steam escaped is not covered.

The following rules apply:

- a) Must be paired with Foundation coverage (DP0556).
- b) This coverage is not offered on form DP0001 policies.
- c) This coverage is removable only at renewal.

Use endorsement **DF0557**.

XII.14 – Windstorm or Hail – Awnings, Signs, Outdoor Radio and Television Equipment

Windstorm or Hail is not provided for (All Forms):

- Awnings, signs and outdoor radio & television equipment in Forms DP0001 or DP0002.
- Outdoor radio & television equipment in Form DP0003 whether or not attached to a Building or Other Structure.
- Coverage is available in limit options of \$1,000, \$2,000, \$3,000, \$4,000 and \$5,000.

Use Endorsement **DP0419** - Windstorm or Hail – Radio and Television Antennas, Awnings and Signs

XIII – LIABILITY COVERAGES

XIII.1 – Premises Liability – Non-Owner Occupied Dwelling

Use only when the dwellings covered on the policy are non-owner occupied.

Use Endorsement **DL2401** – Personal Liability and **DL2411** – Premises Liability (Non-Owner Occupied Dwelling).

XIII.2 – Personal Liability – Owner Occupied

Use only when dwelling covered on the policy is owner occupied. Use Endorsement **DL2401** -- Personal Liability

MANDATORY ENDORSEMENTS

When Personal Liability Endorsement **DL2401** is attached, the following mandatory endorsements will also be attached:

- A. DP0552** – Limited Fungi or Microbes Coverage - Texas
- B. DF179TX** – Lead and Pollution Exclusion Endorsement - Texas
- C. DL2489** – Cap on Losses from Certified Acts of Terrorism; Disclosure Pursuant to Terrorism Risk Insurance Act.

XIII.3 – Optional Endorsements -Personal Liability – Owner Occupied

These options apply to the Personal Liability Endorsement **only** with respect to the “insured location”:

A. Non-Relative Occupant of Resident Premises

Coverage may be extended to a non-relative occupant of the resident premises.

B. Child or Parent Occupant of Additional Residences

When a child or parent is the occupant of an additional residence on the policy, you may extend liability coverage.

C. Additional Insured

An additional insured is a person or organization with interest in the insured location or a joint owner who does not occupy the insured location.

Use Endorsement **DL2410** -- Additional Insured

XIV – FORMS AND ENDORSEMENTS

FORM	EDITION	TITLE
MANDATORY FORMS		
AU303	01 13	Notices of the Policies and Practices for the Disclosure of Nonpublic Personal Information
DF179TX	07 14	Lead and Pollution Exclusion Endorsement
DF2073	09 07	Amendment of Cancellation Provision
DECOV-DF	01 16	Declarations Page
DL2401	07 14	Personal Liability
DL2411	07 14	Premises Liability (Non-Owner Occupied Dwelling)
DL2471	12 02	Limited Fungi, Wet or Dry Rot or Bacteria Coverage
DL2489	01 15	Cap On Losses From Certified Acts of Terrorism, Disclosure Pursuant to Terrorism Risk Insurance Act
DP0142	02 14	Special Provisions – Texas
DL2542	11 15	Special Provisions - Texas
DP0552	11 15	Limited Fung or Microbes Coverage - Texas
DP0538	01 15	Caps on Losses From Certified Acts of Terrorism, Disclosure Pursuant to Terrorism Risk Insurance Act
FI36	01 16	Dwelling Policy Cover Sheet
FI36A	01 16	Your Dwelling Quick Reference
OPTIONAL COVERAGES		
DF50	07 14	Theft of Building Materials
DF0445	12 14	Limited Water Back-Up & Sump Discharge or Overflow - Texas
DF0469	07 14	Earthquake
DF0474	07 14	Ordinance or Law Coverage
DF0557	11 15	Water Damage
FI55	04 88	Fire department Service Charge
DP0001	07 14	Dwelling Property 1 - Basic Form
DP0002	07 14	Dwelling Property 2 - Broad Form
DP0003	07 14	Dwelling Property 3 - Special Form
DP0414	07 14	Additional Living Expense (Form DP 00 01 Only)
DP0417	12 02	Trees, Shrubs and Other Plants (Form DP 00 01 Only)
DP0418	12 02	Windstorm or Hail – Broad Form and Special Form
DP0419	12 02	Windstorm or Hail - Radio and Television Antennas, Awnings, and Signs
DP0420	12 02	Permitted Incidental Occupancies
DP0473	12 02	Limited Theft Coverage
DP0475	12 02	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing
DP0499	07 14	Sinkhole Collapse
DP0556	02 04	Foundation Coverage
DP1143	12 02	Dwelling Under Construction
EXCLUSIONS		
DL3411	07 14	Canine Liability Exclusion Endorsement
DP0550	12 03	Exclusion of Community Property Clause
DP0551	12 03	Wind or Hail Exclusion - Texas
MISCELLANEOUS FORMS		
APP-DF	01 16	Application-Dwelling Fire

XV – FORMS AND ENDORSEMENTS (Continued)

DF187	01 16	Windstorm or Hail Deductible
DL2401	07 14	Personal Liability
DL2410	12 02	Additional Insured
DP0441	12 02	Additional Insured – Described Location
DP0470	12 02	Premises Alarm or Fire Protection System
ILN001	09 03	Fraud Statement
AU1731	03 12	Use of Credit Information Disclosure