



## TEXAS DWELLING FIRE UNDERWRITING GUIDELINES

The Company's Dwelling Fire program is designed to insure preferred risks at competitive rates. Homes must be well maintained. The guidelines exist to help determine the proper exposures to insure. The Companies retain the right to accept or reject individual risks submitted. The guidelines apply to all dwelling fire exposures.

### ADMINISTRATIVE REQUIREMENTS:

- Agent must be properly appointed and issued a producer number prior to binding any policies. Agents may only bind in the states where they are appointed with Kemper Personal and Commercial Lines in their contract
- Binding coverage is permitted only after eligibility within Underwriting Guidelines has been determined
- Coverage may only be bound or issued with a current or future effective date. All applications must be issued no more than 5 days after effective date
- CLUE reports are required for rating, binding, and placement of all new business submissions, rewrites, in-office transfers and location changes
- All new Dwelling Fire applications must be signed by the applicant
- The maximum number of units acceptable for a policyholder is eight, with a limit of four locations. This can be four 2-family dwellings, or a combination of 2-family and 1-family dwellings
- Minimum \$1,000 all peril deductible required
  - Tier 2 counties require 2% wind/hail
  - Tier 1 counties require wind/Hail exclusion
- Coverage may not be bound for risks located in Tier 1 counties (Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kennedy, Klebert, Matagorda, Nueces, Refugio, San Patricia, Willacy, and the portions of Harris eligible for coverage through TWIA)
- Prior underwriting approval is required for risks located in Tier 2 counties (Bee, Brooks, Fort end, Goliad, Hardin, Harris, Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Victoria, and Wharton)

### Dwelling Fire policies subject to the following guidelines:

- Risks with a year of construction equal to 1950 and earlier must obtain underwriting approval prior to binding
- All associated loss activity, including occurrences with \$0 paid, must be properly reported and rated in the application and submission.
- Replacement cost estimators are required for all property submissions
- Wood burning stoves must be inspected, and a wood burning stove questionnaire must be completed prior to binding
- Risks more than 75 miles from named insured primary residence require active agreement with a property management company
- Central Station Fire & Burglar Alarm Requirements:
  - Dwellings in Protection Class 1-8: Coverage A values \$900,000 and above
  - Dwellings in Protection Class 8B-9: Coverage A values \$400,000 and above
- Risks located in Protection Class 8B and 9 areas must be referred to underwriting prior to binding. Eligible risk placement for these classes of business are subject to all basic guidelines and the following additional class rules:

- Base Coverage A maximum of \$500,000. Eligibility may continue when Coverage A exceeds this limit if all other basic and additional class eligibility criteria are met
- Dwelling is located within 5 miles of the primary responding fire department
- Dwelling must have a year-round, code-certified water source with year round availability in the form of:
  - A functioning fire hydrant located within 1,000 feet or a tank, pool, lake or pond with proper fire equipment connection devices, located within 100 feet of the dwelling; OR
  - The responding fire department having tanker and pumper truck(s) with 1,500 gallons or more of water supply, which can deliver 150 to 200 gallons per minute continuously for at least 20 minutes (4,000 gallons), including all sources and mutual aid agreements
- Dwelling must have a non-combustible, fire-resistive roof
- Dwellings with extensive wood decking are not eligible
- Dwellings may not have a wood burning stove
- Dwelling must be at least 1,000 feet from any brush hazard
- Dwellings with local or central station alarms are preferred below Coverage A value of \$400,000 but not required

### **Wildfire Vulnerability Criteria**

If a property is located within a wildfire vulnerable area, the risk is subject to additional underwriting review. This review may result in additional underwriting action, up to and including policy cancellation. A risk may be classified as “wildfire vulnerable” after taking into consideration the additional factors outlined below, and the individual risk’s proximity to those factors which would increase the potential of a wildfire loss. As part of our overall wildfire management strategy, we will also manage the concentration of risk in and around all wildfire vulnerable areas. Additional factors used to determine wildfire vulnerability include:

- Past fire perimeters and the potential for a repeat burn
- CDS, LLC brush mapping and designated wildfire zones
- Elevation and/or slope and its proximity to the individual risk
- Prevailing wind direction and acute wind and direction from known weather patterns affecting the immediate vicinity of the individual risk
- Wildfire fuel as evidenced from inspection reports, alternative mapping data or photographs
- Known or potential inadequacies in fire agency response times and/or equipment
- The individual risk’s construction type, roof type and/or clearance which may increase wildfire vulnerability

### **The following risks are not eligible for coverage**

- Risks with a lapse in coverage or risks previously declined, cancelled or non-renewed for underwriting reasons
- Properties that are vacant or for sale
- Rented homes without an annual lease contract
- Risks under renovation or Course of Construction
- Losses involving negligence or carelessness
- More than one paid loss of any type (excluding weather and CAT)
- Any paid liability or fire (excluding weather related) loss
- Water or theft losses which paid out at or above \$5,000. Water or theft losses below \$5,000 require prior underwriting approval
- Risks with open claims are ineligible without prior underwriting approval
- Isolated dwellings
- Not visible with an unobstructed view by at least one neighbor
- Not accessible year round
- Not insured to 100% of replacement cost
- With Asbestos Siding or Constructed using Exterior Insulation and Finish Systems (EIFS) or Synthetic Stucco
- On any Historical Registry
- Risks in Protection Class 10
- With Farm Barns, vacant Farm Barns, or Farm exposures
- With livestock or Out buildings >1,000 square feet
- Unfenced swimming pools
- Trampolines
- Underground fuel tanks
- Risks with fixed security bars over any window or door without a quick release
- Lead paint
- Day Care Exposures or Businesses operated on the premises
- Pets characterized by aggressive behavior are not eligible for coverage, such as but not limited to these breeds of dogs: Akita, Alaskan malamute, American Staffordshire Terrier, Bull Terrier, Cane Corso, Chow Chow, Doberman Pinscher, English Bull Terrier, German Shepherd, Pit Bull, Presa Canario, Rottweiler, Siberian Husky, Staffordshire Bull Terrier, and Wolfdog/Wolf hybrids.
- Exotic or non-domesticated pets
- Individuals subject to high public exposure (excluding elected officials)
- Risks with open foundations
- Risks located on or immediately adjacent to a slope of 25-degrees or more (includes risks requesting Earthquake coverage)
- Owner-builder and owner-as-general contractor risks
- Mobile homes, Trailer Homes, or House Trailers and their contents
- Risks with unique or unusual construction or architecture (log homes, domes, earthen homes, etc.)
- More than two mortgages on property
- More than 2 family units
- Risks with prior bankruptcy, foreclosure, tax lien, judgment, or repossession within 5 years

### Ineligible Home Updates:

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| Roofing    | <ul style="list-style-type: none"><li>▪ Homes with roofs 20 years or older (does not apply to slate and tile roofs, which have a 40 year life)</li><li>▪ Flat roofs that are 10 years or older</li><li>▪ Roofs that are: wood, foam, rubber, asbestos, T-Lock, rolled or galvanized metal</li><li>▪ Roofs more than one single layer regardless of material</li><li>▪ Leaning or cracked chimneys, gutters and eaves with poor drainage or deteriorated flashing</li></ul>  |
| Plumbing   | <ul style="list-style-type: none"><li>• Galvanized and Polybutylene plumbing</li><li>• Improper connections, current unrepaired leaking systems or pipes</li></ul>  |
| Electrical | <ul style="list-style-type: none"><li>▪ Homes with electrical service that do not meet local and state electrical code requirements, with less than the proper amperage for the home, or with a Federal Pacific Electric Stab-Lok electrical panel</li><li>▪ Homes with less than 100 amps service, knob and tube or aluminum wiring, in whole or in part without prior underwriting approval. A full inspection by a certified electrical inspector verifying code, condition and suitability dated within the past 2 years will be required</li><li>▪ Worn, frayed, or bare/exposed wiring, including that which runs through or is in contact with trees</li></ul> |
| Heating    | <ul style="list-style-type: none"><li>▪ Lacking a central heat source that operates with a thermostat</li><li>▪ Primary heat sources that use solid fuels, such as wood, coal or pellets of any type.</li><li>▪ Furnaces 20 years or older, or boilers 30 years or older without documented maintenance</li><li>▪ Underground oil storage tanks. For propane tanks, supply lines must not be leaking or rusting</li><li>▪ Fuel powered space heaters, unvented gas fireplaces, combustibles stored near heating devices</li></ul>   |