



TEXAS HOMEOWNERS
POLICY
RULE MANUAL

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PART I - COVERAGE AND DEFINITION TYPE RULES

Rule 101 – Limits of Liability**A. Coverage Limits:**

Coverage	Limits
A – Dwelling	Up to \$1,000,000
B – Other Structures	2% to 20% of Coverage A; 10% Default
C – Contents	40% to 70% of Coverage A; 50% default
D – Loss of Use	10% to 30% of Coverage A; 20% default
E – Personal Liability	\$25,000 to \$500,000; \$100,00 default
F – Medical Payments to Others	\$500 to \$5,000; \$1,000 default

Rule 102 – Description of Coverages and Loss Settlement Method**A. Section I – Property – Perils Insured Against:**

Perils	HO 00 03
Fire or Lightning	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes
Vandalism or malicious mischief	Yes
Theft	Yes
Volcanic eruption	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge or overflow of water or steam, Sudden and accidental tearing apart of a heating system or appliance for heating water, Freezing, Sudden and accidental damage from artificially generated electrical current	Yes
Additional risks with certain exceptions	Yes; Coverages A, B, and D

B. Section II – Liability:

Coverage	Description
Coverage E	Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities. Applies on an occurrence basis. <i>Liability Exclusions: Animal, Day Care, Trampoline, ATV, Diving Board and Pool Slide</i>
Coverage F	Covers medical expenses incurred by persons, other than the insured who sustain bodily injury caused by a covered accident arising out of an insured's premises or personal activities.

C. Loss Settlement:

Coverage	Year Built	Loss Settlement Method
A - Dwelling	1960 and newer	Replacement Cost
A - Dwelling	Older than 1960	Functional Replacement Cost

Coverage	Year Built	Loss Settlement Method
B – Other Structures	1960 and newer	Replacement Cost
B – Other Structures	Older than 1960	Functional Replacement Cost
C – Contents	All	Actual Cash Value

Coverage C can be endorsed to Replacement Cost. Refer to rating manual for premium.

Rule 103 – Mandatory Coverages

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

Rule 104 – Eligibility

Refer to the Texas Underwriting Guidelines Manual for eligibility requirements.

Rule 105 – Secondary Residence Premises

Secondary residences are dwellings occupied by the owner for less than nine continuous months per year and are not eligible for coverage in this program.

Rule 106 – Protection Classification Information

The Protection Class listings in the Public Protection Classification Manual apply. Use PC 10 for unclassified areas. Homes must have paved road access to qualify. In an unclassified area where two or more classifications are shown (e.g. 6/9), the classification is determined as follows:

Distance to Fire Station	Feet to Hydrant	Class
Five (5) miles or less	1,000 feet or less	First PC
Five (5) miles or less	More than 1,000 feet	9
More than five (5) miles		10

Homes located in a PC9 or 10 must be located on a paved road and visible to neighbors.

Rule 107 – Construction Definitions

A. Frame / Stucco on Frame

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

B. Masonry Veneer / Stucco on Masonry / Hardiplank over Frame

Exterior walls constructed of masonry materials such as brick, stone or hardiplank over frame.

C. 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 roof of combustible construction (Disregarding floors resting directly on the ground).

D. Superior Construction

Exterior walls, floors and roof constructed of masonry or other non-combustible materials.

E. Mixed (Masonry / Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 30% of the total exterior wall area; otherwise classify as masonry

Rule 108 – Seasonal / Secondary Residence Premises

A dwelling occupied by owner for less than nine continuous months per year is considered seasonal. Seasonal residences are not eligible for coverage in this program.

Rule 109 – Building Definitions

A. Single Building

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

B. Separate Building

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 or an 8 inch masonry party wall; or
 - b. A documented minimum two 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.

C. Townhouse or Rowhouse

Determine the total number of individual family units within a Fire Division. For example, a two (2) family dwelling attached to a one (1) family dwelling is considered three (3) individual family units within a Fire Division if both dwellings are not separated by a firewall. Four (4) attached two (2) family dwellings are considered eight (8) family units within a Fire Division if they are not separated by firewalls (and thus ineligible).

A policy may be issued for

- Coverage A when a dwelling contains four (4) or less family units within a Fire Division
- Coverage C in a dwelling with one (1) or more individual family units within a Fire Division.

Rule 110 – 200

Reserved for future use.

PART II – GENERAL RULES

Rule 201 – Policy Period

- A. The policy may be written for a period of one (1) year and may be extended for successive policy periods by renewal.
- B. Renewal – If the company elects to offer a renewal, the policy may be renewed by the policyholder by paying the renewal premium prior to the expiration of the current policy. The renewal policy will be issued based on the premiums, forms and endorsements in effect at the time of renewal. A new declaration page as well as any revised policy forms will be sent to the insured. Copies of notices and the declaration page will be sent to the mortgagee(s).

Rule 202 – Changes or Cancellations

- A. Mandatory coverages in the policy cannot be canceled unless the entire policy is cancelled
- B. The insured may cancel the policy at any time for any reason
- C. Flat cancellations after the effective date will require proof of other insurance and must be made within 60 days of the policy effective date
- D. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirements

Rule 203 – Changes or Cancellations

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- 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 of the announcement of the premium revision, the revision shall not affect in-force policy forms, endorsement or premiums, until the policy is renewed.

Rule 204 – Multiple Company Insurance

We will not provide coverage for a dwelling that is also covered by another insurance policy.

Rule 205 – Minimum Premium

Minimum final policy premium is \$250

Minimum earned premium of \$50 is earned on each policy regardless of how long the policy is in force

Rule 206 – Transfer or Assignment

No transfers or assignments are permitted. Each insured and/or property will require submission of a new application.

Rule 207 – Waiver of Premium

When a policy is endorsed after the inception date, an amount of additional or return premium of less than \$5 is waived. However, we will return unearned premium upon request.

Rule 208 – Whole Dollar Premium Rule

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

Rule 209 – Other Insured Location – No Coverage

This program does not permit liability coverage for any other residences owned by the insured regardless of occupancy.

Rule 210 – Business Pursuits

This program does not offer coverage for liability arising out of business activities.

Rule 211 – Incidental Occupancies

This program does not offer coverage for liability arising out of incidental occupancies.

Rule 212 – Additional Interest – Residence Premises

Additional interest in the dwelling may be listed on the Additional Interest Endorsement. The company will notify in writing the party named in the endorsement if the policy is canceled or not renewed by us. No additional charge is made for use of this endorsement

Use Endorsement MIC HO TX 1011 – Additional Interest – Residence Premises.

Rule 213 – Binding Authority and Restrictions

A. Binding Authority

A risk is not bound until a policy is issued in our rating system. MIC does not accept binders. For your convenience, our system provides an immediate declarations page and application upon issuance of the policy. Risks may be bound up to 60 days prior to effective date.

Agents may issue coverage on risks meeting all underwriting criteria without contacting the company.

Signed applications and supporting documentation must be maintained in the Agent's office and is subject to audit at the request of the company

Risks must meet the eligibility / underwriting guidelines. Any risk not meeting the guidelines, but judged by the agent to be a good risk must be referred to underwriting prior to binding.

B. Wildfire Binding Restrictions

All agents need to be aware of current wildfire situations and cease bidding as appropriate. The restrictions apply when:

- A wildfire alert has been declared
- An active fire line is within 15 miles of a property
- Any area that has been designated as a pre-evacuation or mandatory evacuation zone

Restrictions include:

- Temporary suspension on binding new business
- Coverage changes, including but not limited to, lowering deductibles on new or existing business

Binding authority will remain suspended until an announcement is made indicating the restriction has been lifted.

C. Tropical Storm and Hurricane Binding Restrictions

In the event of a tropical storm or hurricane, agents must refer to our website bulletins for binding authority restrictions.

Agents binding authority automatically terminates for new business and coverage increases in First and Second Tier counties when a Tropical Storm or Hurricane Watch or Warning has been issued by the National Weather Bureau within any of the Gulf Coast counties, or when a Tropical Storm or Hurricane enters the Gulf of Mexico, or when a Tropical Storm or Hurricane is located West of 72° W Longitude and between 15° and 32° N Latitude.

D. Severe Weather or Tornado Binding Restrictions

Binding authority automatically terminates for any area placed under a Severe Weather or Tornado Warning or Watch by the National Weather Bureau. The restrictions do not apply to home closings (new purchases with a copy of the closing statement), business with effective dates at least 10 days in the future or business bound prior to the restriction going into effect.

Rule 214 – Mandatory Endorsements

A. MIC HO TX 1000 Special Provisions – Texas

This endorsement is attached to all policies and amends the basic ISO Homeowners HO 00 03 Special form. We encourage you to read our Special Provisions along with all policy forms in their entirety.

Within this endorsement are liability exclusion for trampolines; animals; fungi, wet or dry rot or bacteria; diving boards and pool slides.

B. HO 00 05 30 Functional Replacement Cost Loss Settlement

This endorsement is mandatory on homes built prior to 1960. The loss settlement provisions are changed to Functional Replacement Cost. This means losses will be paid at the amount that it would cost to repair or replace the damaged building with less costly common construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.

C. MIC HO TX 1001 Non-Structural Hail Loss Limitation

This endorsement is mandatory for properties with metal roofs and/or aluminum siding. In all other instances it may be added at the option of the insured. The endorsement provides that when damage from hail consists solely of dents to the exterior surface of a home or other structure, not causing structural damage, we will pay the lowest cost of repairing or replacing the damaged portion of the property; or two percent (2%) of the amount of insurance provided under Coverage A.

D. MIC HO TX 1003 Foundation Water Damage Exclusion

This endorsement is attached to all homes written in Nueces County. Water or steam from within any portion of a plumbing system or air conditioning system that is either below the surface of the ground or is within or below the slab or foundation is excluded from coverage.

E. MIC HO TX 1004 Windstorm / Hail Exclusion (Mandatory in Tier 1 Counties)

This endorsement is attached to all homes written without wind coverage. The perils of Windstorm and Hail must be excluded in areas where coverage is available from the Texas Windstorm Insurance Association. Policies written without wind coverage must maintain a separate wind policy.

Rule 215 – 300

Reserved for future use.

PART III – Premium Computation Rules and Base Premium Calculation**Rule 301 – Policy Premium Computation**

The premium developed in this program consists of two parts, the Wind/Hail Premium and the Other Perils Premium. Below is a rating worksheet showing how to develop the premium.

Rule Number	Rate Calculation Order	Other Perils	Wind/Hail
302	Territory Base Rate		
303	Amount of Insurance	X	X
304	Protection Class/Construction	X	
305	Type of Construction		X
306	Age of Dwelling	X	X
307	Age of Roof	X	X
308	Number of Stories	X	
Base Premium			
Rule Number	Base Premium Adjustment	Other Perils	Wind/Hail
401	Deductible	X	X
402	Exclude Wind		X
403	Non-Structural Hail Loss Limitation		X
404	Limited Water Damage Coverage	X	
405	Increased Replacement Cost on Dwelling	X	X
406	ACV Los Settlement – Wind/Hail Losses to Roof		X
Rule Number	Optional Coverages and Increased/Decreased Limits	Other Perils	Wind/Hail
501	Ordinance or Law	X	X
502	Coverage B – Other Structures	X	X
503	Coverage C – Personal Property	X	X
504	Coverage D – Loss of Use	X	X
505	Personal Property Replacement Cost	X	X
506	Special Personal Property Coverage	X	
Rule Number	Discounts / Surcharges	Other Perils	Wind/Hail
601	Paid-in-Full Discount	X	
602	Household Factor	X	
603	Tier	X	X
604	Package Policy Discount	X	
605	New Purchase Discount	X	
606	Residents Smoke	X	
607	Fire Protection	X	
608	Burglar Protection	X	
609	Secured Subdivision	X	
610	Wood Burning Stove	X	
611	Open Foundation	X	X
612	Umbrella Discount	X	X
613	Claims Surcharge	X	X
614	E-Policy	+	
615	Max Discount Adjustment	X	X
615	Max Discount Adjustment Tier	X	X
Policy Premium Subtotal			
Rule Number	Section II Liability	Other Perils	Wind/Hail
701	Coverage E – Liability Increased Limits	+	
702	Coverage F – Medical Payments Increased Limits	+	

703	Animal Liability Endorsement	+	
704	Personal Injury Coverage	+	
Rule Number	Section I Additive Coverages	Other Perils	Wind/Hail
801	Limited Foundation and Slab Buyback	+	
802	Water Backup and Sump Pump Discharge	+	
803	Scheduled Personal Property	+	
804	Increased Jewelry, Watches and Furs	+	
805	Loss Assessment Coverage	+	
806	Home Computer Coverage	+	
807	Limited Fungi or Microbes Coverage	+	
808	Endorsement Package	+	
	Total Premium		
901	MGA Fee	+	
902	Inspection Fee	+	
	Total Premium and Fees		

Rule 302 – Base Rate and Territory

Refer to the Rate to determine the Territory by zip code and the Base Rate.

Rule 303 – Amount of Insurance

Refer to the Rate Manual for the Amount of Insurance (Coverage A) Factor to be applied to the Territory Base Rate for both Wind/Hail and Other Perils

Rule 304 – Protection Classification/Construction

Refer to the Rate Manual for the Protection Classification/Construction Factor to be applied to the Territory Base Rate for Other Perils only.

Rule 305 – Type of Construction

Refer to the Rate Manual for the Type of Construction Factor to be applied to the Territory Base Rate for Wind/Hail only.

Rule 306 – Age of Dwelling

Refer to the Rate Manual for the Age of Dwelling Factor to be applied to the Territory Base Rate for both Wind/Hail and Other Perils. The age of the dwelling is determined by subtracting the year in which construction of the residence was completed from the year in which the policy is effective.

Rule 307 – Age of Roof

Refer to the Rate Manual for the Age of Roof Factor to be applied to the Territory Base Rate for both Wind/Hail and Other Perils. The age of the roof is determined by subtracting the year in which the roof was constructed or replaced from the year in which the policy is effective.

Rule 308 – Number of Stories

Refer to the Rate Manual for the Number of Stories Factor to be applied to the Territory Base Rate for Other Perils only.

Rule 309 – 400

Reserved for future use.

Part IV – Base Premium Revisions

Rule 401 – Deductible

The standard deductible is \$500 for Other Perils and one percent (1%) for Wind/Hail. The Wind/Hail deductible cannot be less than the Other Perils Deductible. Changes in deductibles may only be made at the time of renewal. Refer to the Rate Manual for the factors to be applied to both the Wind/Hail and Other Perils Base Premium.

Rule 402 – Wind Exclusion

Properties located in the first tier coastal counties of Brazoria, Chambers, Jefferson, Kenedy, Kleberg, Refugio, and San Patricio and those portions of Galveston, Matagorda and Nueces Counties south and east of the Intracoastal Waterway must be written excluding Wind/Hail Coverage and must carry a separate Wind and Hail policy. For these policies, the premium for Wind/Hail is not calculated.

Use Endorsement MIC HO TX 1004 Windstorm and Hail Exclusion

Rule 403 – Non-Structural Hail Loss Limitation

For properties with metal roofs and/or aluminum siding this endorsement is mandatory. In all other instances it may be added at the option of the insured. The endorsement provides that when damage from hail consists solely of dents to the exterior surface of a home or other structure, not causing structural damage, we will pay the lowest cost of repairing or replacing the damaged portion of the property; or two percent (2%) of the amount of insurance provided under Coverage A. Refer to the Rate Manual for the factor that applies to this premium.

Use Endorsement MIC HO TX 1001 Non-Structural Hail Loss Limitation

Rule 404 – Limited Water Damage Coverage

This endorsement limits coverage for sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, A/C or automatic sprinkler system or from within a household appliance. The limit of liability for all covered property under this coverage limit is \$10,000.

This endorsement may be used at the underwriter's discretion. Refer to the Rate Manual for the factor that applies to this premium.

Use Endorsement MIC HO TX 1002 Limited Water Damage Coverage

Rule 405 – Increased Replacement Cost on Dwelling

The property may be endorsed to cover increased costs of construction that are incurred due to increases in the cost of construction that occur during the policy period. Increased construction cost is normally the result of increased demand relative to supply of labor and materials that can occur subsequent to a catastrophic loss that impacts a substantial number of properties in a region. Additional coverage provided by this endorsement is limited to a maximum of 25% of Coverage A or 50% of Coverage A. Coverage must be written for 100% replacement cost. This endorsement does not cover increased construction costs attributable to laws or ordinances governing construction. Refer to the Rate Manual for the Increased Replacement Cost Factors to be applied to both the Wind/Hail and Other Perils Base Premium.

Use Endorsement MIC HO TX 1015 – Increased Replacement Cost Coverage – 25%, or

Use Endorsement MIC HO TX 1016 – Increased Replacement Cost Coverage – 50%

Rule 406 – Actual Cash Value Loss Settlement – Windstorm or Hail Losses to Roof Surfacing

For a reduction in premium, the policy can be endorsed to provide loss settlement of the roof surface on an actual cash basis for damages caused by the peril of windstorm or hail. This applies to both Coverage A and Coverage B. Refer to the Rate Manual for the factor associated with this endorsement. The factor is applied to the Wind/Hail Base Premium only. This endorsement is mandatory in Hidalgo County, TX.

Use Endorsement MIC HO TX 1014 – Actual Cash Value Loss Settlement for Windstorm or Hail Losses to Roof Surfacing

Rule 407 – 500

Reserved for future use.

Part V – Section I – Property – Additional Coverages and Increased/Decreased Limits

Rule 501 – Ordinance or Law Increased Amount of Coverage

The property may be endorsed to increase the Ordinance or Law Amount of Coverage for increases in the cost of reconstruction, repair or demolition of property that results from local laws or ordinances regulating such. The standard amount of coverage is 10% of Coverage A and can be increased by this endorsement to 25% of Coverage A. Refer to the Rate Manual for the Ordinance or Law Increased Amount of Coverage Factors to be applied to both the Wind/Hail and Other Perils Base Premium.

Use Endorsement HO 04 77 – Ordinance or Law Increased Amount of Coverage

Rule 502 – Coverage B – Other Structures

The policy includes Coverage B – Other Structures at 10% of Coverage A. The Insured may select the desired coverage limit for other structures on the residence premises. Other structures may not be rented to others, or used by non-related people for residence purposes. Available limits are 2%, 10%, 15% and 20% of Coverage A. Refer to the Rate Manual for the factors associated with the selected amount of coverage. The factor is applied to both the Wind/Hail and Other Perils Base Premium.

Rule 503 – Coverage C – Contents

The policy includes Coverage C – Contents at 50% of Coverage A. The Insured may select the desired coverage limit for contents in five percent (5%) increments from 40% to 70%. Refer to the Rate Manual for the factors associated with the selected amount of coverage. The factor is applied to both the Wind/Hail and Other Perils Base Premium.

Rule 504 – Coverage D – Loss of Use

The policy includes Coverage D – Loss of Use at 20% of Coverage A. The Insured may select the desired coverage limit in five percent (5%) increments from 10% to 30% for Loss of Use of the residence premises. Refer to the Rate Manual for the factors associated with the selected amount of coverage. The factor is applied to both the Wind/Hail and Other Perils Base Premium.

Rule 505 – Personal Property Replacement Cost

The policy provides loss settlement on an Actual Cash Value basis for Coverage C – Personal Property. The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property. Refer to the Rate Manual for the factors associated with the selected amount of coverage. The factor is applied to both the Wind/Hail and Other Perils Base Premium.

Use Endorsement HO 04 90 – Personal Property Replacement Cost Loss Settlement

Rule 506 – Special Personal Property Coverage

The policy provides coverage for contents on a Named Peril Basis. This endorsement provides additional perils coverage for Coverage C – Personal Property subject to certain exclusions. Refer to the Rate Manual for the factors associated with the selected amount of coverage. The factor is applied to the Other Perils Base Premium only.

Use Endorsement MIC HO TX 1017 – Special Personal Property Coverage

Rule 508 – 600

Reserved for future use.

Part VI – Policy Discounts and Surcharges

Rule 601 – Paid In Full Discount

A discount applies to policies that are paid in full. Refer to the Rate Manual for the factor to be applied to the Other Perils Base Premium only.

Rule 602 – Household Factor

A discount or surcharge based on a combination of the age of the named insured, marital status and the presence of children in the household is applied to the policy. Refer to the Rate Manual for the Household Characteristics placement and the factors to be applied to both the Wind/Hail and the Other Perils Base Premium.

Rule 603 – Underwriting Tier

Tiered rating is utilized to broaden underwriting eligibility and properly match the rate to the risk. Consumer data gathered from the applicant and third party providers determines new business tier placement. Once assigned to a tier at new business, the policy remains in the same tier at renewal. Criteria used for tier placement include liability limit on prior homeowner policy, credit score and prior claims. If applicable, proof of prior insurance in the form of a declarations page showing the prior liability limit must be retained in the agent's file. These documents will be subject to review during an audit. Refer to the Rate Manual for the Underwriting Tier placement and the factors to be applied to both the Wind/Hail and the Other Perils Base Premium.

Rule 604 – Companion Policy Discount

A credit of five percent (5%) will apply if a policy is written in the name of an insured with a flood policy written with Maison Insurance Company or places their automobile policy with the agent. Proof of the companion policy (i.e. Declaration Page) must be retained in the agent's file. These documents will be subject to review during an audit. Only one discount per policy may be applied. The discount remains on the policy at renewal as long as the companion policy is in force. If the companion policy is canceled, the discount will be removed. The discount is applied to the Other Perils Base Premium only.

Rule 605 – New Purchase Discount

A 15% discount is offered to homeowners who are obtaining their policy to coincide with the purchase of a home. The discount is phased out over time (10% in year two, 5% in year three and 0% in year four). The discount is applied to the Other Perils Base Premium only.

Rule 606 – Smoker Surcharge / Discharge

A 30% surcharge will apply if any member of the household smokes, a one percent (1%) discount applies if all members of the household are non-smokers. The discount or surcharge is applied to the Other Perils Base Premium only.

Rule 607 – Fire Protection

A discount will apply for homes with either a fire alarm reporting to a fire or central station or a complete sprinkler system. Refer to the Rate Manual for the discount that is applied to the Other Perils Base Premium only.

Rule 608 – Burglar Protection

A discount will apply for homes with either a complete local burglar alarm covering all exterior doors and windows or reporting to a police or central station. Refer to the Rate Manual for the discount that is applied to the Other Perils Base Premium only.

Rule 609 – Secured Subdivision

A 10% discount will apply for homes located in a neighborhood protected by 24-hour, manned security or passkey gates protecting all entrances to the community. The discount is applied to the Other Perils Base Premium only.

Rule 610 – Wood Burning Stove Surcharge

A 10% surcharge will apply for homes with a wood burning stove. The surcharge is applied to the Other Perils Base Premium only.

Rule 611 – Open Foundation Surcharge

A 10% surcharge will apply to homes built on an open foundation including homes built on piers and homes with a crawl space that is not enclosed with a permanent material. Lattice is not considered a permanent material. Examples of permanent material are block brick and siding. The surcharge is applied to both the Wind/Hail and Other Perils Base Premiums.

Rule 612 – Umbrella Discount

A discount applies to insureds who maintain umbrella coverage. Proof of coverage should be maintained in the agent's. Proof of the Umbrella Policy (i.e. Declaration Page) must be retained in the agent's file. These documents will be subject to review during an audit. The discount is applied to both the wind/Hail and Other Perils Base Premiums.

Rule 613 – Claims Surcharge

A surcharge applies to renewal policies if two or more claims are submitted with Maison Insurance Company. Catastrophic, weather related, appliance-related water claims properly remediated and certified, and/or subrogated and "closed without payment" are not considered a qualifying claim. Refer to the Rate Manual for the surcharge factor based on the number of filed claims since the policy inception. Claims drop off after 3 years. The surcharge is applied to both the Wind/Hail and Other Perils Base Premiums.

Rule 614 – E-Policy Discount

A credit of \$10 is applied to the Other Perils Base Premium if the insured elected to receive policy documents via email.

Rule 615 – Maximum Discount Adjustment

Discounts are applied to the Wind/Hail and Other Perils Base Premium as indicated as a multiplicative factor. The maximum combined rate impact from all discounts and surcharges combined is 60%. The maximum combined rate impact from the Underwriting Tier Factor and all discounts and surcharges combined is 64%. The E-Policy and Paid in Full Discount are not subject to discount capping.

Rule 616 – 700

Reserved for future use.

Part VII – Section II – Liability Increased Limits and Coverages

Rule 701 – Coverage E – Liability Increased Limits

The policy includes Coverage E – Liability Limit of \$25,000. The Insured may select the desired coverage limit for liability up to \$500,000. Refer to the Rate Manual for the premium associated with the selected amount of coverage.

Rule 702 – Coverage F – Medical Payments to Others

The policy includes Coverage F – Medical Payments to Others Limit of \$500. The Insured may select the desired coverage limit for medical payments to others up to \$5,000. Refer to the Rate Manual for the premium associated with the selected amount of coverage.

Rule 703 – Animal Liability Buyback

This coverage allows the insured to purchase Animal Liability Coverage for three (3) select limits (\$25,000; \$300,000 and \$500,000) but does not cover bodily injury or property damage for any dogs on the prohibited dog breed list; exotic, farm or saddle animals; or any animal deemed dangerous, vicious or potentially dangerous under state statute. Refer to the Rate Manual for the premiums associated with this coverage.

Prohibited breeds of dogs include Akitas, American Bulldogs, Beaucerons, Caucasian Mountain Dogs, Chows, Doberman Pinschers, German Shepherds, Great Danes, Pit Bulls, Rottweilers, Staffordshire Terriers and Wolf hybrids. Any mixed breed made up of one or more of the breeds listed is also considered a prohibited breed of dog.

Exotic, farm or saddle animals include but are not limited to hoofed animals, livestock, reptiles, primates and fowl.

Use Endorsement MIC HO TX 1005 Animal Liability Endorsement

Rule 704 – Personal Injury

This coverage provides liability coverage for personal injury arising out of specified offenses, including but not limited to, false arrest, malicious prosecution, wrongful eviction, slander or libel, and invasion of privacy. Refer to the Rate Manual for the premium associated with this coverage.

Use Endorsement MIC HO TX 1006 – Personal Injury

Rule 705 – 800

Reserved for future use.

Part VIII – Section I Additive Coverages

Rule 801 – Limited Foundation and Slab Buyback

This coverage may be added to provide coverage for sudden and accidental discharge or overflow of water or steam from within the slab or foundation. The limit of liability for this option is 15% of Coverage A. The policy deductible or \$1,000 applies, whichever is greater. Refer to the Rate Manual for the premium associated with this coverage.

Use Endorsement MIC HO TX 1007 – Foundation Coverage

Rule 802 – Water Backup and Sump Discharge or Overflow

The policy may be endorsed to provide coverage for loss resulting from water that backs up through sewers or drains or that overflows from a sump. The available limits of liability are \$5,000; \$10,000 and \$25,000. The rate is dependent on the basement status:

None – no basement exists at the property

Unfinished Basement – non modified area used primarily for storage

Partially Finished Basement – slightly modified area which, in addition to providing storage, usually has some improvements and an additional purpose (exercise room, music room, etc.)

Finished Basement – modified area which is a fully habitable addition to the house

Refer to the Rate Manual for the premium associated with this coverage.

Use Endorsement MIC HO TX 1008 – Water Back-up and Sump Discharge or Overflow

Rule 803 – Scheduled Personal Property

Scheduled coverage may be purchased for the following classes of property:

Antiques	Bicycles
Camera/Projection Equipment (Non-Professional)	Coins
Fine Art	Fine Art – With Breakage
Furs	Golfer's Equipment
Jewelry	Miscellaneous Personal Property
Musical Instruments (Non-Professional)	Other Sports Equipment
Guns – Fired	Guns – Collectible
Silverware	Stamps

Refer to the Underwriting Manual for the guidelines for Scheduled Personal Property.

Refer to the Rate Manual for the premium associated with this coverage.

Use Endorsement MIC HO TX 1009 – Scheduled Personal Property

Rule 804 – Increased Jewelry, Watches and Furs

The policy may be endorsed to add increased limits on jewelry, watches and furs (unscheduled items only) in increments of \$1,000 up to a maximum of \$5,000. Refer to the Rate Manual for the premium associated with this increased coverage.

Use Endorsement MIC HO TX 1010 – Increased Special Limits on Jewelry, Watches and Furs

Rule 805 – Loss Assessment – Increased Limit

The policy provides \$1,000 in coverage for your share of loss assessment charged during the policy period against you by a corporation or association of property owners. The assessment must be made as a result of direct loss to property owned by all members collectively that would be covered by this policy if owned by you. This limit may be increased to either \$5,000 or \$10,000. Refer to the Rate Manual for the premiums associated with this increased coverage.

MIC HO TX 1020 – Loss Assessment Coverage – Increased Limits

Rule 806 – Home Computer Coverage

The policy may be endorsed to provide coverage for computers and related equipment against additional risks of physical loss subject to certain exclusions. In addition, this endorsement permits business use of a personal computer. This coverage is available to a maximum limit of \$20,000. Refer to the Rate Manual for the premium associated with this increased coverage.

Use Endorsement MIC HO TX 1012 – Home Computer Coverage

Rule 807 – Limited Fungi or Microbes Coverage

The insured may select mold remediation coverage as described in the required notice attached to the application, subject to underwriting requirements and an underwriting review. Options are 25%, 50% or 100% of policy limits for Coverage A – Dwelling.

Refer to the Underwriting Manual for guidelines to add this coverage.

Refer to the Rate Manual for the premium associated with this coverage.

Use Endorsement MIC HO TX 1013 – Limited Fungi or Microbes Coverage

Rule 808 – Package Endorsements

We have bundled frequently selected endorsements to provide you package coverages of additional protection, including higher limits of selected coverages. Only one package endorsement per policy. Below are the added coverages for each of the available packages.

Coverage	Maison Home	Maison Home Plus
Personal Property Replacement Cost	Included	Included
Coverage A Increased Replacement Cost	25%	50%
Water Backup and Sump Pump Discharge	\$5,000	\$10,000
Ordinance or Law Coverage	NA	25%
Special Personal Property Coverage	NA	Included
Personal Injury Coverage	Included	Included
Coverage C Limit	50% of Coverage A	70% of Coverage A
Loss Assessment	\$2,500	\$5,000
Credit Card, Fund Transfer Card, Forgery and Counterfeit	\$1,000	\$2,000
Lock Replacement Coverage	\$250	\$500
Fire Department Service Charge	\$750	\$1,000
Increased Special Limits	Maison Home	Maison Home Plus
Jewelry, Watches, Furs, Precious and Semi-Precious Stones	\$3,000	\$5,000
Money, Bank Notes, Gold, etc.	NA	\$300
Securities, Deeds, Letters of Credit, etc.	NA	\$2,500
Firearms	NA	\$3,500
Silverware, Pewter Ware, Tea Sets, etc.	NA	\$4,000

Increased Special Limits - Continued	Maison Home	Maison Home Plus
Business Property on Residence Premises	NA	\$3,000
Business Property away from Residence Premises	NA	\$750

Refer to the Rate Manual for the premium associated with this increased coverage.

Use Endorsement MIC HO TX 1018 – Maison Home Package, or

Use Endorsement MIC HO TX 1019 – Maison Home Plus Package

Rule 809 – 900

Reserved for future use.

Part IX – Policy Fees and Payment Plans

Rule 901 – MGA Fee

A fully earned MGA fee of \$75 is charged on each policy.

Rule 902 – Inspection Fee

A fully earned inspection fee of \$25 is charged on each policy for homes more than 20 years old.

Rule 903 – Payment Plans

A minimum premium of \$400 is required to qualify for a payment plan. We do not accept Premium Finance Agreements. There are two optional payment plans available and must be selected on the application. The available plans are:

Semi-Annual (Two Pay)

- 55% Down
- 45% due on day 180

Quarterly (Four Pay)

- 31% Down
- 23% due on day 90
- 23% due on day 180
- 23% due on day 270

Installment Fee Schedule for Two Pay and Four Pay Plans

Premium Range	Installment Fee
\$400 – 499	\$4
\$500 – 649	\$5
\$650 – 799	\$6
\$800 – 949	\$7
\$950 and above	\$8

Add \$1 per payment for every \$150 of total premium over \$1,099

Installment fees are fully earned, as they are billed with each installment

Rule 904 – NSF Fee

There is a \$29 service charge on NSF checks.

Rule 905 – Monthly Electronic Funds Transfer (EFT)

The insured has the option to sign up for EFT Payments with the following schedule:

- 25% down payment due at new business
- Nine (9) equal installments of 8.33% due every 30 days
- \$2 installment fee for each payment

There is a NSF charge of \$29 on all declined payments. In addition, there might be a charge incurred from the customer's bank and the vendor that processes the transaction.

Rule 906 – 1000

Reserved for future use.