STEADILY.

UNDERWRITING GUIDELINES : Standard MGA

Agent Version : V2

GENERAL REQUIREMENTS

- ➔ Average or better condition to qualify for the Steadily DP-3 program
- ➔ Fair or better condition to qualify for the Steadily DP-1 program
- ➔ 1 to 4 family dwellings
- ➔ Condominiums are acceptable (available in select states)
- ➔ Tiny Homes are acceptable if not mobile
- ➔ Structure on permanent and fixed location
- ➔ Dwellings and condominium buildings built within last 100 years eligible for straight through processing; older than 101 years require Underwriter approval
    - ◆ CA ONLY: 1940 or earlier year built is ineligible
    - ◆ MN ONLY: 1960 or earlier year built is ineligible

GENERAL INELIGIBLE CHARACTERISTICS - All Forms and Tiers

See Prohibited Risks section for full list*

- ➔ Excess debris
- ➔ Damaged or unsound structures
- ➔ Broken windows
- ➔ EIFS or Asbestos Construction
- ➔ Unacceptable wildfire or coastal exposure
- ➔ Electrical or plumbing not updated within the last 30 years for dwellings with a year built of pre-1940.

ADDITIONAL INELIGIBLE CHARACTERISTICS : DP-3, DP-1 in Tier 2 and DFW Metroplex only

See Prohibited Risks section for full list*

- ➔ Dwellings lacking pride of ownership or not adequately maintained
- ➔ Extensive missing paint and/or rot

OCCUPANCY

- ➔ Rental with Owner : Formal lease agreement required for single-family or one-unit dwellings with this occupancy type (not available for condominiums)
- ➔ Rentals (including Short Term)
- ➔ Seasonal (with rental exposure)
- ➔ Vacant risks** **ineligible**

ELIGIBLE CONSTRUCTION

- ➔ Brick veneer
- ➔ Frame
- ➔ Stucco
- ➔ Masonry
- ➔ Tiny Homes and Barndominiums will be rated as Frame
- ➔ Hardiboard will be rated as Brick Veneer
- ➔ Concrete

BARNDOMINIUMS

- ➔ Eligible for DP-1 only
- ➔ Single-family dwellings only
- ➔ Cosmetic damage exclusion is automatically applied
- ➔ Must be 20 feet of defensible space from wildfire from all elevations of the structure
- ➔ Any heavy equipment is not allowed including manufacturing, auto repair, etc. Farm/ranch equipment used to service the location are acceptable.

SCHEDULES

- ➔ Maximum 20 locations allowed per policy
- ➔ All locations on a single policy must be in the same state and same policy form
- ➔ Maximum 40 locations per insured unless approved by Underwriting
- ➔ Maximum of 5 condominium units in the same building and 10 in the same complex per insured unless approved by underwriting

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INSPECTIONS

- ➔ Exterior inspections may be ordered on all bound applications.
- ➔ Completed by 3rd party vendor
- ➔ Dwellings insured for greater than $750,000 may require exterior and interior inspection
- ➔ If inspector is denied access, we may cancel the policy according to applicable laws and regulations
- ➔ Risks may be inspected prior to any renewal term

ROOF CHARACTERISTICS

Roofs should be in average condition. Click here for additional roof characteristic resources.

- ➔ Composition / architectural shingle and flat roofs must be 20 years or newer.
- ➔ Exception: composition / architectural shingles with life expectancy of 40+ years cannot exceed 66% of the life expectancy.
- ➔ Flat roofs must have adequate drainage and no areas of water pooling or gathering.

None of the following may be present:

- ➔ Existing storm or mechanical damage
- ➔ Improperly repaired prior damages
- ➔ Tarped roofs (either whole or in part)
- ➔ Broken skylights or missing vents
- ➔ Curling or missing shingles
- ➔ Rotten decking
- ➔ Manufacturing defects or improperly installed roof components
- ➔ Multiple roof layers (ex. composition shingle over wood shake) unless the policy is endorsed with the Multi-Layer Roof Exclusion, at our sole discretion
- ➔ Tile roofs, including but not limited to concrete and clay, that are improperly maintained or showing signs of significant wear and tear

The roof requirements above may be waived by underwriting by applying an actual cash value roof endorsement or full roof exclusion, at our sole discretion.

Prohibited Roof Types:

- ➔ Aluminum
- ➔ Tin
- ➔ Earthen or Vegetative Material
- ➔ Flat roofs lacking proper drainage systems
- ➔ Solar
- ➔ Wood Shake

PPC (Protection Class)

- ➔ PPC 1 - 8 are eligible
- ➔ PPC 9 - 10 are eligible but may require additional underwriting review.

COVERAGE LIMITS

- ➔ Maximum Dwelling Limit $1,000,000 (varies by state)
- ➔ Condominium dwelling limits of $200,000+ requires underwriting approval
- ➔ Maximum Combined Parcel Dwelling Limit $1,500,000
  - ◆ No individual dwelling on the parcel can be intended for more than 4 families
  - ◆ Combined Parcel Dwelling Limits above $1,500,000 require prior underwriting approval
- ➔ Maximum Private Structures Limit = 50% of Dwelling Limit
- ➔ Maximum Personal Property Limit = 30% of Dwelling Limit
  - ◆ Personal Property Limit of $200,000+ requires underwriting approval
- ➔ Maximum Additional Living Costs / Fair Rental Value Limit = 30% of Dwelling Limit
- ➔ Maximum TIV = Dwelling Limit x 2 *(Total Insurable Value = Dwelling + Private Structures + Personal Property + Additional Living Expense/Fair Rental Value)*

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LIABILITY LIMITS

- ➔ Maximum Premises Liability Limit $1,000,000.
- ➔ Maximum Personal Liability Limit of $500,000 (only available for Rental with Owner occupancy type)
- ➔ Maximum Medical Payments Limit $25,000

EXTENDED REPLACEMENT COST ENDORSEMENT

- ➔ ERC is an optional endorsement for up to $750,000 Coverage A. Cannot be applied when Coverage A limit exceeds $750,000.

INSURANCE TO VALUE

- ➔ DP-3 must be insured to 100% of replacement cost, less land.
- ➔ If DP-3 is marked as renovation, the dwelling will be insured at ACV during the renovation period only.

EARTHQUAKE COVERAGE

Not available in most states. Coverage is available through Palomar in states with mandatory earthquake offer requirements.

FLOOD COVERAGE

Not available.

LIMITED RENOVATIONS

**No longer available on sMGA after June 6, 2024*

- ➔ The intent of the policyholder must be to convert the dwelling to a rental post-renovation
- ➔ Renovations must commence within 30 calendars days of either the effective date or the date the risk becomes vacant
- ➔ Renovations must be completed within 60 calendar days of work commencing
- ➔ Intended for internal improvements to the dwelling such as enclosing a room, kitchen remodel, etc.
- ➔ Cosmetic updates to the exterior including roof replacement are acceptable
- ➔ Underwriting approval required if this endorsement is added to any location mid-term.

Prohibited Renovations:

- ➔ New construction
- ➔ Adding square footage to the dwelling
- ➔ Tear down and rebuild
- ➔ Relocation of load bearing walls
- ➔ Reconstruction of exterior walls of the dwelling. Replacing siding is acceptable.
- ➔ Renovations not completed in accordance with all applicable building codes

SHORT-TERM RENTALS

Notwithstanding other prohibited risks sections in these guidelines, the following are **ineligible**:

- ➔ Rentals available for less than 24 hours
- ➔ Rentals for large events (ex. weddings, rehearsal dinners, special events)
- ➔ Rentals which allow exotic or dangerous animals and any Pitbull, German Shepherd, Belgian Malinois, Rottweiler, Doberman Pinscher, Chow, Akita, Wolf or Wolf Hybrid or any mix thereof when liability is purchased unless the policy is endorsed with the Animal Liability Exclusion, at our sole discretion
- ➔ Short-term rentals where the Named Insured's permanent residence is 120+ miles from the insured location, unless the property is professionally managed by a property manager
    - ◆ Dwellings listed on Airbnb, Vrbo, or any other similar platform are considered professionally managed.

OWNERSHIP

- ➔ Named Insureds must have insurable interest in the property.
- ➔ Multiple ownership by more than 2 individuals (not including spouses) must be pre-approved by Underwriting
- ➔ Any property with more than 2 mortgage interests ineligible

Limited Liability Companies (LLCs), Corporations or Partnerships are acceptable for Premises Liability coverage if:

- ➔ they have insurable interest in the property,
- ➔ are listed as the owner on the deed,
- ➔ are the owner listed in relevant appraisal district, and
- ➔ have no business operations other than the ownership and maintenance of rental properties.

Limited Liability Companies (LLCs), Corporations or Partnerships are not acceptable for Personal Liability coverage or Personal Injury Liability coverage.

Ineligible Named Insureds:

- ➔ Property Management Companies
- ➔ Condominium or Homeowners Associations
- ➔ Land Trusts
- ➔ Co-ops
- ➔ Any business or entity whose operations extend beyond the ownership and maintenance of rental properties

Named Insured: Entitled to all the benefits and coverage provided by the policy

Additional Insured: Someone not the owner, but who, under certain circumstances, may be entitled to some of the benefits and a certain amount of coverage under the policy.

Additional Interest: A 3rd party who benefits from knowing an insurance policy is in place, but does not need coverage. *Does this third party need the benefits of coverage under this insurance policy? If the answer is no, it is likely they just need to know of any changes made to the policy and they should be added as an additional interest.*

PRIOR LOSS HISTORY

- ➔ Loss history report ordered on all new business applications prior to binding.
- ➔ Maximum 2 chargeable losses permitted for single dwelling applications
- ➔ 1 additional chargeable loss permitted for each additional location up to 4
- ➔ 5+ locations, ratio of chargeable losses to locations cannot exceed 100%
- ➔ Maximum 1 fire, theft or liability loss permitted per 5 locations on application
- ➔ Applications with liability or medical payments loss in excess of $10,000 cannot select liability limit over $100,000
- ➔ Applications with 2+ qualifying vandalism losses per 5 locations must be written on DP-1 form without vandalism coverage to be eligible

Chargeable Loss Definition:

- ➔ Occurred within last 5 years of the policy effective date at residence(s) owned or occupied by applicant; this includes losses at the insured dwelling(s) prior to ownership by a named insured
- ➔ Non-weather related cause of loss. Weather-related losses are not chargeable
- ➔ Indemnity payment of $500+ was made to applicant or claimant

Underwriting Approval Required for:

- ➔ All non-weather related losses excess of $100,000
- ➔ Fire related losses excess of $30,000
- ➔ Theft, Liability or Water Losses excess of $15,000
- ➔ Loss assessment coverage amounts greater than $5,000 with prior loss assessment loss
- ➔ Limited Hidden Water or Seepage Coverage if coverage amount is greater than $5,000 and with prior chargeable water loss.
- ➔ Off-Premises Liability Extension with prior chargeable liability loss (Trisura states only)

If an applicant has any unsettled losses related to property(ies) insured under the policy, including losses open due to ongoing litigation, submission for Underwriting approval is required.

OLDER HOME REQUIREMENTS

Electrical:

- ➔ Knob and tube wiring, aluminum wiring or fuse boxes ineligible.

Plumbing:

- ➔ Galvanized plumbing ineligible.

Heating:

- ➔ Primary heat source must be thermostatically controlled.
- ➔ Portable kerosene heaters ineligible.

ABOVE GROUND FUEL TANK REQUIREMENTS

- ➔ Fuel tanks must be in compliance with 2024 International Fire Code (IFC) 6104.3
- ➔ Fuel tanks must properly maintained and in good condition
- ➔ Fuel tanks must be a bright, reflective color (white, gray, silver or similar)
- ➔ Do-it-yourself repairs and painting are prohibited
- ➔ Refer to Fuel Tank Guidelines for additional information

PROHIBITED RISKS*

The following are ineligible for coverage with Steadily in all programs:

- ➔ Unsound structures, broken windows and excess debris
- ➔ Electrical or plumbing not updated within the last 30 years for dwellings with a year built of pre-1940. This requirement is waived if dwelling is marked as under renovation and the insured intends to update all electrical and plumbing during the remodel.
- ➔ Dwellings with unrepaired damages, incl. but not limited to flood, water, fire, or hail damage
- ➔ Apartments or dwellings intended for more than 4 families; single family homes, duplexes, triplexes, quadplexes, and condominiums units are eligible
- ➔ Dwellings under construction or undergoing significant renovations
- ➔ Risks vacant for 60+ consecutive days may have coverage limitations applied (see policy form)
- ➔ Mobile homes or any structures intended to be mobile or moved using attached wheels (i.e. motorhomes or travel trailers)
- ➔ Properties wholly or partially abandoned, condemned, or in foreclosure or receivership
- ➔ Unusual construction i.e., log, asbestos, yurts, dome homes, Lustron homes, straw, do-it-yourself, Morgan buildings, houseboats, earthen materials, below ground, treehouses, or EIFS
- ➔ Historical homes and affiliated student housing
- ➔ Manufactured homes
- ➔ Townhouses or similar with 10+ contiguous individual units or more than 4 family units per fire division, unless approved by underwriting
- ➔ Presence of underground fuel or oil tanks
- ➔ Dwellings intended for public use
- ➔ Dwellings located over old landfills
- ➔ Isolated locations or those not accessible by vehicle 365 days per year without assistance of ferry, plane or other alternate transportation
- ➔ Location on island including barrier island
- ➔ Locations with farm, ranch or commercial exposures that increase risk of physical loss
- ➔ Location whole or in part over water (incl. houseboats). Requirement may be waived by underwriting by applying specific structure exclusion, at our sole discretion.

- ➔ Dwellings used by sororities or fraternities, halfway homes, assisted living facilities, nursing homes, or group homes
- ➔ Coverage for solar panels is automatically excluded with minimal coverage for remove/reinstall. Solar panel coverage can be purchased via the Solar Panel Coverage buy-back endorsement.
    - ◆ Risks with solar panels covering more than 50% of the roof surface area are not eligible in the following states - AL, AR, IL, KS, MO, MS, MT, NE and TX.
    - ◆ Risks with more than 10 ground mounted solar panels are ineligible.
- ➔ Location on more than 20 acres
- ➔ Presence of Knob & Tube or aluminum wiring, Federal Pacific or Zinsco electrical panels, polybutylene plumbing, and/or fuse boxes
- ➔ Risks where primary heat source is not controlled by thermostat; presence of portable kerosene heaters ineligible
- ➔ Dwellings unable to be inspected
- ➔ Timeshares
- ➔ Unacceptable brush fire and coastal exposure
- ➔ Applicant(s) with history of arson or insurance fraud
- ➔ Applicant(s) canceled or non-renewed for underwriting reasons
- ➔ Coverage gap preceding the effective date of our policy of greater than 5 calendar days.
- ➔ Risks in violation of any local, city, state or federal ordinances or laws, including but not limited to building, fire, sanitation, pollution, housing or safety codes.
- ➔ Barred windows and doors are ineligible unless 50% of the dwellings openings on the lowest level do not have bars. Barred openings are acceptable if they have a quick release mechanism. Does not apply to New Mexico.

PREMISES & PERSONAL LIABILITY PROHIBITED RISKS*

The following are ineligible for liability coverage with Steadily in all programs:

- ➔ Risks with attractive nuisance like empty swimming pool, playfort in front yard, unprotected hot tub, etc.
- ➔ Presence of trampoline, pool, spa, pond, or hot tub without fully enclosed, 4 ft. high permanently installed, locking fence. *Trampolines must be in good condition with safety netting installed.*
- ➔ Presence of pool with diving board or slide in poor condition.
- ➔ Dangerous exotic animals unless policy endorsed with Animal Liability Exclusion, at our sole discretion
- ➔ Presence of dog(s) or cat(s) with bite history as well as Pitbull, German Shepherd, Belgian Malinois, Rottweiler, Doberman Pinscher, Chow, Akita, Wolf or Wolf Hybrid or any mix thereof unless the policy is endorsed with the Animal Liability Exclusion, at our sole discretion
- ➔ Presence of atypical or out-of-the-ordinary liability exposure
- ➔ Risks with stairs, ramps and/or access points that present a significant liability exposure, do not meet local, state, or international building codes, or are in unsound or unsafe condition.
- ➔ Properties not solely used for residential purposes. Limited incidental commercial, farming, and ranching activities acceptable as long as they do not present an increase in hazard
- ➔ Unacceptable commercial use includes but is not limited to customer, employee, contractor foot traffic on premises, manufacturing facilities, welding, food processing, day care, hair salon, or dangerous equipment on premises
- ➔ Limited and incidental farm and ranch means the activities result in nominal (less than $1,000 per annum) income and/or profits for named insured or tenant

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MISCELLANEOUS*

The following apply to all Steadily programs:

- ➔ Agents can quote effective dates up to 60 days in to the future
- ➔ Policies issued which exclude wind, hurricane or hail coverage are required to sign the Insured Affidavit to Exclude Windstorm or Hail. Failure to acknowledge the exclusion via signature will result in policy cancellation.