

**American Reliable
Insurance Company**

A Stock Insurance Company

8655 E Via De Ventura
Scottsdale, AZ 85258-3321

NEW BUSINESS EFFECTIVE: 05/01/2010
RENEWAL BUSINESS EFFECTIVE: 05/01/2010



VIRGINIA
Manufactured Home
Underwriting Guidelines

**THE
COLONIAL
GROUP, Inc.**

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PROGRAM INDEX

	<u>Page</u>
PROGRAM INDEX	1
DEFINITIONS	1
TERRITORY DEFINITIONS	2
ELIGIBILITY AND COVERAGES	3
GENERAL INFORMATION	4
PAYMENT OPTIONS	4
MANUFACTURED HOME UNDERWRITING GUIDELINES	5
MANUFACTURED HOME OPTIONAL COVERAGE GUIDELINES	6

DEFINITIONS

OCCUPANCY DEFINITIONS:

- Primary:** A home that is a primary residence occupied by one family. The home must be occupied by the insured for at least nine (9) months.
- Seasonal/Secondary:** A home that is not the primary residence of the insured, but one that is used on an intermittent basis by the insured or the insured's immediate family members. May not be rented to others.
- Rental Home:** A home that is owned by the named insured, but occupied by others. The home is rented to others for residential purposes.
- Vacant/Unoccupied:** Homes that are unoccupied whether or not the contents have been removed.
- Commercial Home:** A home that is used for light office or professional purposes.
- Insured Age:** Effective date (month/day/year) of the policy term minus the birth date (month/day/year) of the insured.
- Home Age:** Year the policy term is effective minus the manufacturer year of the home.
- Supplemental Heating:** Any home equipped with a supplemental heating device.

PROTECTION CLASS:

- Protected:** The home is located in ISO Protection Class 1-8 or in a park with 25 or more occupied.
- Unprotected:** All homes not meeting the definition of "Protected".

The Protection Class listings in the ISO Public Protection Classification Manual will apply.

The Protection Class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, etc.)

In a classified area where 2 or more classifications are shown (e.g. 6/9), the classification is determined as follows:

<u>Distance To Fire Station</u>	<u>Class</u>
1. 5 road miles or less with a hydrant or ISO approved water source within 1,000 feet *First protection class (e.g. 6/9 Use 6)	*
2. 5 road miles or less with a hydrant or ISO approved water source beyond 1,000 feet	9
3. Over 5 road miles	10
All other properties are Protection Class 10	

TERRITORY DEFINITIONS

TERRITORY A

Counties of:

Albemarle	Botetourt	Culpepper	Goochland	Loudoun	Patrick	Shenandoah
Alleghany	Brunswick	Cumberland	Grayson	Louisa	Pittsylvania	Smyth
Amelia	Buckingham	Dinwiddie	Greene	Lunenburg	Powhatan	Spotsylvania
Amherst	Campbell	Fairfax	Greensville	Madison	Prince Edward	Stafford
Appomattox	Caroline	Fauquier	Halifax	Mecklenburg	Prince William	Tazewell
Arlington	Carroll	Floyd	Hanover	Montgomery	Pulaski	Warren
Augusta	Charlotte	Fluvanna	Henrico	Nelson	Rappahannock	Washington
Bath	Chesterfield	Franklin	Henry	Nottoway	Roanoke	Wythe
Bedford	Clarke	Frederick	Highland	Orange	Rockbridge	
Bland	Craig	Giles	King George	Page	Rockingham	

Including the Independent City Zip Codes of:

20108	22334	23220	23286	24010	24037	24209
20110	22401	23221	23289	24011	24038	24333
20111	22402	23222	23290	24012	24040	24401
20113	22404	23223	23291	24013	24042	24402
22030	22601	23224	23292	24014	24043	24416
22031	22604	23225	23293	24015	24044	24426
22032	22801	23226	23295	24016	24045	24450
22038	22802	23227	23298	24017	24048	24501
22040	22803	23230	23801	24018	24112	24502
22042	22807	23231	23803	24019	24113	24503
22044	22901	23234	23804	24022	24114	24504
22046	22902	23235	23805	24024	24115	24505
22206	22903	23240	23806	24025	24141	24506
22301	22904	23241	23834	24026	24142	24512
22302	22905	23249	23847	24027	24143	24513
22304	22906	23260	23860	24028	24153	24514
22305	22907	23269	24001	24029	24155	24515
22311	22908	23273	24002	24030	24157	24540
22312	22910	23274	24003	24031	24201	24541
22313	22952	23276	24004	24032	24202	24543
22314	22980	23278	24005	24033	24203	24544
22320	23002	23279	24006	24034	24205	24551
22331	23173	23282	24007	24035		
22332	23218	23284	24008	24036		
22333	23219	23285	24009			

TERRITORY B

Counties of:

Buchanan	Dickenson	Lee	Russell	Scott	Wise
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Including the Independent City Zip Codes of:

24273

TERRITORY C

Counties of:

Charles City	Isle of Wight	King William	Middlesex	Prince George	Surry	Westmoreland
Essex	James City	Lancaster	New Kent	Richmond	Sussex	York
Gloucester	King and Queen	Matthews	Northumberland	Southampton		

Including the Independent City Zip Codes of:

23185	23602	23606	23612	23661	23665	23669
23186	23603	23607	23628	23662	23666	23670
23187	23604	23608	23630	23663	23667	23681
23188	23605	23609	23651	23664	23668	23851
23601						

TERRITORY D

Counties of:

Accomack	Northampton
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Including the Independent City Zip Codes of:

23320	23433	23453	23463	23504	23514	23551
23321	23434	23454	23464	23505	23515	23701
23322	23435	23455	23465	23506	23517	23702
23323	23436	23456	23466	23507	23518	23703
23324	23437	23457	23467	23508	23519	23704
23325	23438	23458	23471	23509	23520	23705
23326	23439	23459	23479	23510	23521	23707
23327	23450	23460	23501	23511	23523	23708
23328	23451	23461	23502	23512	23529	23709
23432	23452	23462	23503	23513	23541	

MANUFACTURED HOME COVERAGES INCLUDE

COVERAGES	SPECIAL PROGRAM LOB 37	SPECIAL BY-LINE LOB 77	ALL PURPOSE PROGRAM LOB 48
Minimum/Maximum Value	\$1,000 - \$150,000	\$1,000 - \$150,000	\$1,000 - \$125,000
Occupancy	Primary Seasonal/Secondary	Primary Seasonal/Secondary	Rental/Light Commercial
Home Age	40 Years & Newer	N/A	N/A
Claims History	Submit for approval if the applicant has had 2 or more property losses in the past 36 months or any single fire, theft, liability, or flood loss in the past 36 months	Submit for approval if the applicant has had 2 or more property losses in the past 36 months or any single fire, theft, liability, or flood loss in the past 36 months	Submit for approval if the applicant has had 2 or more property losses in the past 36 months or any single fire, theft, liability, or flood loss in the past 36 months
Other Structures	10% of Coverage A Limit	Optional	Optional
Personal Property	40% of Coverage A Limit	Optional	Optional
Liability/Medical Payments	\$50,000/\$500	Optional	Optional
Additional Living Expense	10% of Coverage A Limit	10% of Coverage A Limit	N/A
Loss Settlement	Coverage A, B, & C – ACV Unless Replacement Cost is Purchased on A, B, & C	Coverage A, B, & C – ACV Unless Replacement Cost is Purchased on A, B, & C	ACV
Deductible	Territory A & B: \$500 All Perils Territory C & D: \$500 AOP/ \$1,000 Hurricane	Territory A & B: \$500 All Perils Territory C & D: \$500 AOP/ \$1,000 Hurricane	Various

MANUFACTURED HOME OPTIONAL COVERAGES

COVERAGES	SPECIAL PROGRAM LOB 37	SPECIAL BY-LINE LOB 77	ALL PURPOSE PROGRAM LOB 48
Manufactured Home Replacement Cost	Optional	Optional	N/A
Personal Property Replacement Cost	Optional	Optional	N/A
Manufactured Home Full Repair Cost	Optional	Optional	N/A
Scheduled Personal Property	Optional	Optional	N/A
Golf Cart	Optional	Optional	N/A
Enhancement	Optional	Optional	N/A
Builders Risk	Optional	Optional	Optional
Occasional Rental	Optional	N/A	N/A
Additional Premises Liability	Optional	Optional	N/A
Flood	Optional	Optional	Optional
Radio and Television Antenna	\$100 Limit Included - Option to Increase Limit is Available	\$100 Limit Included - Option to Increase Limit is Available	\$100 Limit Included - Option to Increase Limit is Available
Fire Department Service Charge	\$250 Limit Included - Option to Increase Limit is Available	\$250 Limit Included - Option to Increase Limit is Available	\$250 Limit Included - Option to Increase Limit is Available
Ordinance or Law	Optional	Optional	Optional

GENERAL INFORMATION

1. **POLICY PERIOD:** A policy may be written for a term of twelve (12) months.
2. **BINDING AUTHORITY:** For coverage to begin as requested, the application must be mailed within 72 hours of the effective date of coverage. Otherwise, coverage is bound at 12:01 A.M. the day it is received by the General Agent. No coverage may be increased within 72 hours of the announcement of an impending disaster, i.e. hurricane, tropical storm, volcanic eruption, earthquake, flood, mudslide, brushfire, etc.
Earthquake: If an earthquake occurs generating a reading of 5.0 or greater on the Richter Scale, new business policies and increased coverage requests on inforce business policies will be restricted on the day of the earthquake and for a 3 day period following the earthquake. Any aftershock readings of 5.0 or greater will be considered a new earthquake. The restrictions will apply for risks located within 150 miles of the earthquake's epicenter.
Wildfire: No new policies, binders or increases in coverage will be accepted when a wildfire is within 25 miles of the home.
Wind: In order to minimize the risk of wind loss, it is suggested that all homes be tied down in accordance with state requirements or with the following guidelines:
 - A. Use over-the-top or through-wall-and-roof type tie downs with a tensile strength (ultimate breaking strength) of 4,800 pounds.
 - B. The tie downs to be installed at the end of the home should be located no more than 6 feet from each end.
 - C. The other tie downs should be spaced an equal distance between themselves and the tie downs located near the end of the home.
 - D. Other structures and additions to the home should be tied down.
3. **APPLICATION:** The application must be completed in full and signed.
4. **PHOTOS:** Photos are required on ALL homes manufactured prior to 1976. Photos are also required for ALL stationary/travel trailers and any unattached structures.
5. **MINIMUM PREMIUMS:** A minimum written premium of \$75 will apply for each new and renewal policy.
A minimum earned premium of \$75 will apply for each new and renewal policy.
6. **ENDORSEMENTS:** Any endorsement that results in an additional or return premium that is less than \$5 will be waived, unless the return premium is requested by the insured. All changes requiring adjustments of premium shall be computed pro rata and based on the rates in effect on the policy effective date.
7. **VALUATION:** The manufactured home must be insured to its full actual cash value (or replacement cost, if applicable). If the manufactured home has recently been purchased, use the purchase price as the base value. If the purchase price is not available, the current value from a source such as NADA, Boeckh, E2 Value, or other similar guide may be used. The value of the land is not to be considered in the value of the manufactured home.
8. **WHOLE DOLLAR PREMIUM RULE:** Each coverage premium will be rounded to the nearest whole dollar. For this purpose, an amount of fifty (50) cents or more will be rounded to the next whole dollar.
9. **POLICY TRANSFER OR ASSIGNMENT:** In the event of home title transfer, the policy may not be assigned from one insured to another person. However, subject to underwriting guidelines, a policy may be written for the new owner.
10. **POLICY EXCLUSIONS:** In addition to the exclusions that are listed in the policy, the following will be added:
 - Hazardous Substance Liability Exclusion
 - Specific Breed Animal Liability Exclusion
11. The following will be added if Liability Coverage is present.
 - Mold Exclusion
 - Sexual Misconduct or Sexual Molestation Exclusion
 - Trampoline Exclusion
 - Assault and Battery Exclusion
12. **PREMIUM CALCULATION:** The Discounts that are percentage based (Example: -20%) will be totaled and the Surcharges that are percentage based (Example: 15%) will be totaled. After both criteria are totaled, the difference between the totals (Example: - 20%, +15% = -5%) will be applied. The percentage Discounts and Surcharges will be calculated before the dollar (Example: \$15) Discounts and Surcharges. (This includes any Deductible Options that the insured may select.) The Discounts and Surcharges will apply to the BASE PREMIUM.
BASE PREMIUM is defined as the premium for Coverage A (Manufactured Home), Coverage B (Other Structures), Coverage C (Personal Property), Coverage D (Additional Living Expense), Coverage E (Personal, Premises or OL&T Liability) and Coverage F (Medical Payments to Others) PLUS any increases in Coverages B,C,D,E & F as set forth in the MH.RP rate pages.
13. **RELOCATION:** If the manufactured home is relocated, the General Agent must be notified within the 30 days, and premium adjusted if necessary.

PAYMENT OPTIONS

If the insured desires to pay their premium on an installment basis, American Reliable will allow a 2-payment, 4-payment, or 8-payment option to be selected. For the 2-payment option, a 50% down payment is required, plus the policy fee with the remaining balance due on Day 160. For the 4-payment option, a 25% down payment is required, plus the policy fee with the other payments due on Day 70, Day 140 and Day 210. For the 8-payment option, a 20% down payment is required, plus the policy fee with the other payments due on Day 44, Day 88, Day 132, Day 176, Day 220, Day 264, and Day 308. Each installment (not applicable to the down payment) will include a \$6 service charge.

MANUFACTURED HOME UNDERWRITING GUIDELINES

UNACCEPTABLE RISKS – DO NOT BIND, DO NOT SUBMIT

1. Applicants that have been convicted of arson or insurance fraud.
2. Homes without permanently installed water, electricity and sewage utility services.
3. Homes that have been salvaged or have existing structural damage.
4. Homes that are vacant or under construction/major renovation.
5. Homes that are in foreclosure.
6. Homes with liquid fuel-powered space heater or existence of any heat-reclaiming device.
7. Homes where the *primary* source of heat is a wood/coal/pellet burning device.
8. Other structures or garages with a wood/coal/pellet burning device.
9. Homes with polybutelene pipes.
10. Homes or other structures used to store flammables or explosive materials.
11. Homes located in areas that are subject to mudslides.
12. Homes with a brush clearance of less than 350 feet.
13. Homes with more than 2 lien holders. Two lien holders are acceptable if one is a financial institution.
14. Owner occupied risks in the name of a corporation.
15. Homes with childcare, homecare, lodging, auto repair or chemical processing conducted on the premises. *All other business pursuits must be submitted for approval.*

SUBMIT RISKS TO GENERAL AGENT – DO NOT BIND

1. Applicants who own, keep, or shelter any Akita, Anatolian Shepherd, Chow, Doberman, Pit Bull, Presa Canario, Rottweiler, Wolf or Wolf hybrid, any mix of these breeds with any other breed, whether listed or not.
2. Applicants that have had 2 or more property losses (paid or unpaid) in the past 36 months or any single fire, theft, liability or flood loss in the past 36 months. If yes, give date of loss, describe the loss and the amount paid to repair the damage.
3. Applicants that have had a manufactured home/dwelling policy cancelled or non-renewed for underwriting reasons (except age of unit) during the past 36 months.
4. Applicants that have filed for bankruptcy in the past 36 months.
5. Applicants that have been 30 days past due on mortgage payments in the last 12 months.
6. Applicants who are unemployed. (Retirees with guaranteed income and disabled persons with a consistent income are considered employed.)
7. Homes that have been uninsured for more than 30 days immediately prior to the requested effective date. (Does not apply to a new purchase)
8. Homes with more than 2 unrelated owners.
9. Homes that are built on stilts, posts or piers. **Photos must be included.**
10. Homes or other structures (other than porches, decks, awnings, skirting or carports) that are not factory/contractor built or two separate homes that are joined together. **Photos must be included.**
11. Homes equipped with a supplemental heating device that was not installed by the manufacturer or a licensed contractor. **Photos and the Woodstove Inspection Report must be included.**
12. Homes with 3 or more steps on any exit without a handrail. **Photos must be included.**
13. Homes without permanently installed steps at all entrances. **Photos must be included.**
14. Homes within 1,500 feet of water (river, creek or ocean) or homes located on an island or in a Special Flood Hazard Area.
15. Homes with multiple horses, livestock or farm animals on the premises.
16. Any premises with a dock, pier or boathouse. **Photos must be included.**
17. Any premises with 5 or more acres.
18. Homes with farming activities conducted on the premises.
19. Homes with business pursuits conducted on the premises.
20. Unattached structures that exceed 30% of the insured value of the manufactured home or \$25,000, whichever is greater.
21. Personal effects that exceed 70% of the insured value of the manufactured home or \$25,000, whichever is greater. **Personal Effects Inventory must be included.**
22. Applicants who own, keep, or shelter any animal with a previous bite history or any non-domestic animal.
23. Any premises with a swimming pool or spa that is not completely fenced and not in compliance with all city and/or county ordinances. The swimming pool or spa must meet a fence minimum of four feet high with a self-latching gate, motorized pool cover or other comparable safety device that is securely fastened to the perimeter of the pool/spa thus rendering it inaccessible

OPTIONAL COVERAGE GUIDELINES

1. **MANUFACTURED HOME REPLACEMENT COST COVERAGE:** The Manufactured Home must be 15 years of age or newer.
2. **MANUFACTURED HOME FULL REPAIR COST COVERAGE:** The Manufactured Home must be 25 years of age or newer.
3. **GOLF CART COVERAGE:** A maximum of two (2) golf carts may be scheduled on a policy.
4. **BUILDERS RISK COVERAGE:** Available for homes purchased from a manufactured home dealer. Coverage begins when the home is delivered to the home site.
5. **SCHEDULED PERSONAL PROPERTY:** This endorsement is only available for owner occupied manufactured homes used on a primary basis. Below is a listing of additional guidelines:
 - A. Scheduled Personal Property coverage is not in addition to the limits for Personal Property.
 - B. We require a complete description (brand name, color, serial number, etc.) of the covered items. In addition, we require the sales receipt and/or a certified appraisal of any one item, set or collection valued at \$1,000 or more.
 - C. There is a maximum coverage amount of \$10,000 for any one item and \$25,000 for all classes combined. Any one item cannot be insured for an amount less than the appraised value.
 - D. Current Appraisals or receipts must accompany endorsements adding coverage.

Following are acceptable classes of Scheduled Personal Property: *Any item not specifically listed below must be submitted to the General Agent or Home Office for consideration.*

Jewelry	Silverware	Firearms (No Automatic Weapons)	Musical Instruments (non-professional use only)
Furs	Postage Stamps	Cameras (non-professional use only)	Computer Equipment (Not software or recordable files)
Coins	Golf Equipment	Fine Arts (with or without breakage)	

Additional Scheduled Personal Property Underwriting Guidelines:

1. Items owned by unrelated persons or items that are jointly owned by an insured and an unrelated person are not eligible for coverage.
2. All items to be insured must be individually scheduled with the exception of silverware.
3. All items to be scheduled must be in operating or usable condition.
4. Un-mounted stones or gems may not be scheduled.
5. Cameras and related equipment used professionally are not eligible for coverage.
6. Musical Instruments that are used professionally are not eligible for coverage.
7. Fine arts, which are subject to frequent travel and exhibition, are not eligible for coverage.

American Reliable Insurance Company

A Stock Insurance Company

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Scottsdale, AZ 85258-3321

TO REPORT A CLAIM

Please call American Reliable Insurance Company and report claims directly to a claims representative. You may give this number to your insured to call direct.

Call: 1-800-245-1505

Fax: 1-800-224-4170

Normal business hours are from 5:30 a.m. – 5:00 p.m. Mountain Standard Time. After normal business hours an answering service will take a message. All calls will be returned the next day.

TO OBTAIN SUPPLIES

Please call your General Agent for all your supply needs. Their phone number is listed on the front of this guide.