

2014 Dwelling Policy Program Multistate Rules Revision

About This Filing

This filing is being made in order to introduce and revise various rules in the Dwelling Policy Program Manual - General Rules.

These revisions include modifications to and clarifications of existing rules.

This document consists of a Table of Contents and the following two parts:

- ◆ Part I includes an explanation of each individual change.
- ◆ Part II displays all of the rule revisions.

Related Filing(s)

The following companion filings will be implemented concurrently with this filing:

- ◆ **DP-2013-OFR13**, 2014 Dwelling Policy Program Multistate Forms Revision
- ◆ **DP-2013-RLC13**, 2014 Dwelling Policy Program Multistate Loss Costs Revision

Attachments

Part II of this filing displays all rules with a standard format of ~~striking through~~ deletions and underlining additions to indicate changes from the previous editions.

In addition, wherever rules language is shown in the explanatory material in Part I of this filing, the revisions are displayed with a standard format of ~~striking through~~ deletions and underlining additions.

For the purposes of this filing:

- ◆ the appearance of an number symbol (#) indicates designators may vary by state; and
- ◆ the appearance of asterisks (* * * *) indicates undisplayed text that remains unchanged with this filing.

Caution

Some rules included in this multistate filing may be modified or replaced by a state-specific exception in a particular state. The applicable state supplement specifically lists those rules that are modified or replaced by a state-specific exception in a particular state.

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Part I – Explanation of Rules Changes

This part includes an explanation of individual changes to the following Multistate General Rules:

- ◆ Rule **102**. Perils Insured Against
- ◆ Rule **104**. Protection Classification Information
- ◆ Rule **210**. Refer To Company
- ◆ Rule **211**. Additional Insured
- ◆ Rule **303**. Ordinance or Law Coverage – All Forms
- ◆ Rule **402**. Coverage C – Personal Property In Buildings Subject To Commercial Class Rates Or Specific Rates
- ◆ Rule **406**. Deductibles
- ◆ Rule **501**. Coverage B – Other Structures
- ◆ Rule **502**. Coverage D – Fair Rental Value/Coverage E – Additional Living Expense
- ◆ Rule **503**. Ordinance or Law Coverage For Coverage B – Specific Structures, Building Items And Improvements, Alterations And Additions
- ◆ Rule **505**. Building Items Condo Unit-Owner – **DP 00 01** Or **DP 00 02**
- ◆ Rule **509**. Earthquake Coverage
- ◆ Rule **510**. Theft Coverage
- ◆ Rule **513**. Limited Water Back-up And Sump Discharge Or Overflow Coverage
- ◆ Rule **515**. Motorized Golf Cart – Physical Loss Coverage
- ◆ Rule **517**. Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
- ◆ Rule **A1**. Special State Requirements

In addition, the following rules are being revised for editorial purposes only:

- ◆ Rule **204**. Multiple Locations
- ◆ Rule **205**. Multiple Policies
- ◆ Rule **304**. Permitted Incidental Occupancies
- ◆ Rule **404**. Mobile Or Trailer Homes – **DP 00 01** Only
- ◆ Rule **408**. Protective Devices
- ◆ Rule **409**. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – **DP 00 02**, **DP 00 03** And **DP 00 01** With **DP 00 08**
- ◆ Rule **410**. Building Code Effectiveness Grading
- ◆ Rule **504**. Improvements, Alterations And Additions Tenant And Co-Op Unit-Owner – **DP 00 01** Or **DP 00 02**
- ◆ Rule **511**. Sinkhole Collapse Coverage

Change No. 1 – Perils Insured Against

Introduction

We are revising Rule **102**. Perils Insured Against to make editorial revisions.

Explanation of Changes

We have revised Rule **102**. Perils Insured Against to more closely reflect the coverages provided by the individual Dwelling Policy forms.

Revised Rule

Rule **102**. Perils Insured Against

Change No. 2 – Protection Classification Information

Introduction

We are revising multistate Rule **104**. Protection Classification Information, in general, to condense and streamline references to ISO public protection classification information.

Background

ISO Public Protection Classification information is currently displayed in both the ISO Community Mitigation Classification (CMC) Manual and the ISO Dwelling Manual. Basic public protection classification information is included in the ISO Dwelling Manual as an accommodation for users of the manual since public protection is a classification used to rate a dwelling risk under the ISO Dwelling Manual.

Over the years, an increasing number of state-specific exceptions to Public Protection Classification information have been introduced into the ISO Dwelling Policy Program Manual, in order to maintain consistency with the ISO Community Mitigation Classification (CMC) Manual.

Explanation of Changes

In order to maintain a single comprehensive source of Public Protection Classification information for Dwelling risks, we are revising multistate Rule **104**. to delete detailed information related to public protection classification information and add an instruction to determine ISO public protection classification information, refer to the ISO Community Mitigation Classifications (CMC) Manual, applicable to the municipality or classified area where the insured property is located. In conjunction with this revision, any exceptions to Rule **104**. currently appearing in the state exception pages will be deleted in cases where the exception is also addressed in the Community Mitigation Classification (CMC) Manual.

Revised Rule

Rule **104**. Protection Classification Information

Change No. 3 – Facultative Reinsurance

Introduction

We are revising Rule **210. Refer To Company** to introduce a facultative reinsurance rule.

Description Of Rule

This rule advises the user to refer to company for rating any risk for which there is no manual rate.

Explanation Of Changes

This rule is revised to introduce facultative reinsurance rules to the Dwelling manual applicable to Property coverage. The rule explains how to calculate the premium for the portion of property coverage that is reinsured on a facultative basis.

Revised Rule

Rule **210. Refer To Company**

Change No. 4 – Additional Insured

Introduction

We are introducing Rule **211**. Additional Insured to complement Additional Insured Described Location endorsement **DP 04 41**.

Background

Currently, Endorsement **DP 04 41** identifies a person or organization, other than the named insured listed on the declarations page, who is considered an insured in the policy. It allows the named party to be listed in the policy and to receive notification if the insurer cancels or does not renew the policy. There is currently no manual rule referring to this endorsement, therefore, Rule **211**. is introduced to provide instructions to manual holders on its use.

Explanation of Changes

New Rule **211**. is introduced to:

- ◆ State that a person or organization, other than the named insured listed on the declarations page, is considered an insured in this policy; and
- ◆ Allows the named party to be listed in the policy and to receive notification if the insurer cancels or does not renew the policy.

New Rule

Rule **211**. Additional Insured

Change No. 5 – Personal Property In Buildings Subject To Commercial Class or Specific Rates

Introduction

We are revising Rule **402**. Coverage C - Personal Property In Buildings Subject To Commercial Class Rates Or Specific Rates to reflect changes made in Division Five of the Commercial Lines Manual (CLM).

Background

In 2001, CLM Division Five Rule **85**. Basic Group I Class Rates (Paragraph **B**.) was revised to include additional classifications.

Explanation of Changes

To complement the changes made in the CLM, we are revising Rule **402**. to include references to the additional classifications in the rating table.

Revised Rule

Rule **402**. Coverage C - Personal Property In Buildings Subject To Commercial Class Rates Or Specific Rates

Change No. 6 – Coverage B - Other Structures, Coverage D - Fair Rental Value, and Coverage E - Additional Living Expense

Introduction

We are revising Rule **501**, Coverage **B** - Other Structures and Rule **502**, Coverage **D** - Fair Rental Value and Coverage **E** - Additional Living Expense to complement changes in the companion forms filing.

Background

Rule **501**, provides that Coverage **B** is automatically provided on a blanket basis for up to 10% of the Coverage **A** limit in all Dwelling policy forms.

Rule **502**, states that **DP 00 01** provides up to 20% of the Coverage **A** limit of liability for loss of fair rental value as described in Coverage **D**. No entry is needed on the policy Declarations for this coverage to apply.

In addition, this rule states that **DP 00 02** and **DP 00 03** both provide up to 20% of the Coverage **A** limit available for loss of both fair rental value described in Coverage **D** and additional living expense described in Coverage **E** combined. No entry is needed on the policy Declarations for this coverage to apply.

In the companion forms filing, we have revised Additional Living Expense endorsement **DP 04 14** to provide that the additional living expense coverage is subject to a limitation of up to 25% of the policy limit of liability per month.

In addition, Change Endorsement **DP 12 10** is being withdrawn.

Explanation of Changes

We are adding instructions in Rule **501**, and Rule **502**, to advise that no entry is needed in the policy Declarations for coverages to be automatically provided, as described above.

In Rule **502**., we have also updated the example in Paragraph **B.1**, to reflect the up to 20% of Coverage **A** limit of liability for loss of fair rental value provided in **DP 00 01**. To complement the companion forms filing, we have revised the provisions in Paragraph **B.2**, Coverage **E** to state that the amount recoverable each month is limited to no more than 25% per month of the limit of liability shown on the policy. In addition, we have removed reference to Endorsement **DP 12 10** from the rules.

Revised Rules

- ◆ Rule **501**. Coverage **B** - Other Structures
- ◆ Rule **502**. Coverage **D** - Fair Rental Value and Coverage **E** - Additional Living Expense

Change No. 7 – Unit-Owners Coverage Including Modified Other Insurance And Service Agreement Condition Withdrawn

Introduction

We are revising Rule **505**, Building Items Condo Unit-Owner - **DP 00 01 Or DP 00 02** by deleting Paragraph **B**, Unit Owners Coverage Including Modified Other Insurance And Service Agreement Condition to complement a change in the companion forms filing.

Background

Rule **505**, Paragraph **B**, Unit Owners Coverage Including Modified Other Insurance And Service Agreement Condition addresses Endorsement **DP 17 71**, Unit Owners Coverage Including Modified Other Insurance And Service Agreement Condition. This form is being withdrawn in the companion forms filing.

Explanation of Changes

To complement the companion forms filing, we are deleting Rule **505**, Paragraph **B**, and we have also made minor editorial revisions to this rule.

Revised Rule

Rule **505**, Building Items Condo Unit-Owner - **DP 00 01 Or DP 00 02**

Change No. 8 – Theft Coverage

Introduction

We are revising the base deductible in Rule **510**. Theft Coverage from \$250 to \$500.

Background

In the current Dwelling Policy Program, the base deductible for Theft Coverage is \$250. Beginning in 2011, on a state by state basis, we revised the base deductible for all perils, other than Theft, to \$500 and introduced new deductible factors for the \$250 option.

Explanation of Changes

For consistency with the perils other than Theft, we are revising the base deductible for Theft Coverage to \$500 and introducing a new deductible factor for the \$250 option. In addition, we are revising the factors for \$1,000 and \$2,500 to correspond with this change.

Actuarial Support

The current deductible factors have been adjusted by a factor of 1.05 to reflect the change in the base deductible for Theft Coverage from \$250 to \$500. The 1.05 (1/0.95) factor was determined based on the deductible factor currently in effect to adjust the premium for this provision from a \$250 deductible to a \$500 deductible.

Revised Rules

Rule **510**. Theft Coverage

Change No. 9 – Water Back-Up And Sump Discharge Or Overflow

Introduction

We are revising Rule **513**. Water Back-Up And Sump Overflow to complement the changes made in the companion forms filing.

Background

In the companion forms filing, we are revising Endorsement **DP 04 95**, Water Back-Up And Sump Discharge Or Overflow by:

- ◆ Revising the title of the endorsement;
- ◆ Deleting reference to the Special Deductible; and
- ◆ Removing the stated limit of liability of \$5,000 and stating instead that \$5,000 is the basic limit which may be increased by Schedule entry to provide increased flexibility with respect to the related limit of insurance.

Explanation of Changes

We are revising Rule **513**. to:

- ◆ Reflect the revisions made to the title of Endorsement **DP 04 95**;
- ◆ Accommodate the revisions to the Deductible provision; and
- ◆ Accommodate the changes to the Schedule which provides increased flexibility with respect to increased limits of liability available.

Revised Rule

Rule **513**. Limited Water Back-Up And Sump Discharge Or Overflow Coverage

Change No. 10 – Motorized Golf Cart - Physical Loss Coverage

Introduction

We are revising Rule **515**. Motorized Golf Cart - Physical Loss Coverage to complement a change in the companion forms filing.

Background

In the companion forms filing, we are revising Owned Motorized Golf Cart Physical Loss Coverage endorsement **DP 05 28** to remove the field in the schedule allowing for different deductible amounts to apply to the individually listed golf carts.

Explanation of Changes

We have revised Rule **515**. by deleting text referencing the separate deductible for each involved golf cart.

Revised Rule

Rule **515**. Motorized Golf Cart - Physical Loss Coverage

Change No. 11 – Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage

Introduction

We are revising Rule **517. Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage** to reinforce that the limits provided are on an aggregate basis and to delete text to condense and streamline the rule.

Background

Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage endorsement **DP 04 22** provides limits up to \$10,000, on an aggregate basis, to pay for loss to covered property owned by an insured, that is damaged by fungi, wet or dry rot, or bacteria on the described location.

Explanation of Changes

Rule **517.** is revised to:

- ◆ Introduce text in Paragraph **A.** to reinforce that the limits provided are on an aggregate basis;
- ◆ Delete Paragraph **C.** Application of Limits of Liability since the corresponding endorsement already contains the necessary limits of liability provisions; and
- ◆ Delete Paragraph **E.2.** since the corresponding endorsement already contains the necessary information.

New Rule

Rule **517.** Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage

Change No. 12 – Relocation of Previously Implemented Multistate Rule Revisions

Introduction

Revised multistate rules that were implemented after the publication of the Dwelling 2002 Multistate General Rules were accommodated as exceptions to the General Rules and were located in the state "Exception Pages" of the manual.

These rules are now being relocated to the new multistate General Rules.

As a result of the relocation of previously implemented Multistate Rule revisions:

- ◆ Any corresponding multistate rules text will be deleted from the state exception pages; and
- ◆ Any state-specific requirements corresponding to the multistate rules will be retained in the state exception pages.

Explanation of Changes

- ◆ Former State Exceptions to the General Rules Being Relocated to the Multistate General Rules:
 - Rule **303**. Ordinance or Law Coverage - All Forms (Table **303.B.3.a.(1)(a)** and Table **303.B.3.a.(2)**)
 - Rule **503**. Ordinance or Law Coverage For Coverage B - Specific Structures, Building Items And Improvements, Alterations And Additions (Paragraph **C.2.**)
 - Rule **509**. Earthquake Coverage (Paragraphs **E.3., E.4., E.5.** and **F.**)
- ◆ Rule **406**. Deductibles

We are revising the text of General Rule **406**. Deductibles to correspond with the recent state-specific deductible revisions already implemented in most states. However, the individual Tables with deductible factors will remain in the state exception pages.

- ◆ Currently, Additional Rule **A#**. Community Mitigation Classification Manual, states that all references to the Public Protection Classification (PPC) Manual shall be understood to be references to the Community Mitigation Classification Manual. This rule is now being deleted and integrated into Rule **104**. Protection Classification Information and Rule **410**. Building Code Effectiveness Grading, as appropriate.

Change No. 13 – Editorial Revisions

Introduction

We are revising several rules in the Dwelling Policy Program Manual – General Rules to make minor editorial revisions.

Explanation of Changes

We have made minor revisions to correct punctuation and designators, as necessary.

Revised Rules

- ◆ Rule **204**. Multiple Locations
- ◆ Rule **205**. Multiple Policies
- ◆ Rule **304**. Permitted Incidental Occupancies
- ◆ Rule **404**. Mobile Or Trailer Homes - **DP 00 01** Only
- ◆ Rule **408**. Protective Devices
- ◆ Rule **409**. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – **DP 00 02**, **DP 00 03** And **DP 00 01** With **DP 00 08**
- ◆ Rule **410**. Building Code Effectiveness Grading
- ◆ Rule **504**. Improvements, Alterations And Additions Tenant And Co-Op Unit-Owner - **DP 00 01** Or **DP 00 02**
- ◆ Rule **511**. Sinkhole Collapse Coverage

Change No. 14 – Reference To Water Exclusion Endorsement Deleted

Introduction

We are revising Rule **A1**. Special State Requirements in the Dwelling Policy Program Manual - State Exception Pages to complement a change outlined in the companion forms filing.

Background

In a 2008 multistate Dwelling rules filing, we revised Rule **A1**. Special State Requirements of the Dwelling Policy Program Manual – State Exception Pages to state, in general, that the Water Exclusion endorsements **DP 16 09** and **DP 16 10** are to be used with all ISO Dwelling policies.

We are now:

- ◆ Incorporating the language contained in the Water Exclusion endorsements into the base Dwelling policies; and
- ◆ Withdrawing **DP 16 09** and **DP 16 10**, Water Exclusion Endorsement.

Explanation of Changes

We are deleting reference to the Water Exclusion endorsements in Rule **A1**. Special State Requirements in the Dwelling Policy Program Manual in response to the withdrawal of endorsements **DP 16 09** and **DP 16 10**, Water Exclusion Endorsement, and introduction of the applicable policy language into the base Dwelling policies.

ADDITIONAL RULE(S)

RULE A1. SPECIAL STATE REQUIREMENTS

~~#. Water Exclusion Endorsement~~

~~Use Endorsement DP 16 09 with all DP 00 02 policies~~

~~Use Endorsement DP 16 10 with all DP 00 01 and DP 00 03 policies~~

Revised Rules

State Exception Rule **A1**.# Special State Requirements

Part II – Attachment Of Rules

This part displays a complete copy of all revised rules as listed below. All revised rules contain a standard format of ~~striking through~~ deletions and underlining new material.

Rule Number	Title of Rule	Page
Rule 102.	Perils Insured Against	23
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Rule 205.	Multiple Policies	26
Rule 210.	Refer To Company	27
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Rule 304.	Permitted Incidental Occupancies	31
Rule 402.	Coverage C – Personal Property In Buildings Subject To Commercial Class Rates Or Specific Rates	32
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**RULE 102.
 PERILS INSURED AGAINST**

The following is a general description of the coverages provided by the individual Dwelling Policy Forms. The policy should be consulted for exact contract conditions.

Perils Insured Against

Perils	DP 00 01 Basic Form	DP 00 02 Broad Form	DP 00 03 Special Form
Fire or Lightning, Internal Explosion	Yes	Yes	Yes
Extended Coverage meaning Windstorm or Hail, Explosion, Riot or Civil Commotion, Aircraft, Vehicles, Smoke, Volcanic Eruption	Optional*	Yes	Yes
Vandalism or Malicious Mischief	Optional**	Yes	Yes
Damage by B burglars, Falling objects, Weight of ice, snow or sleet, Accidental discharge <u>or overflow</u> of water or steam, Sudden <u>and accidental tearing apart of a cracking of a steam or hot water</u> heating system <u>or appliance for heating water</u> , Freezing, Sudden <u>and accidental</u> damage from artificially <u>generated</u> electrical currents.	No	Yes	Yes
Additional risks with certain exceptions (Special Coverage)	No	No	Yes*** Coverages A and B
* May only be written with the perils of Fire or Lightning, Internal Explosion ** May only be written with Extended Coverage *** <u>Special Coverage (Coverages A and B)</u>			

Table 102. Perils Insured Against

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**RULE 104.
PROTECTION CLASSIFICATION INFORMATION**

~~Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classifications (CMC) Manual, applicable to the municipality or classified area where the insured property is located.~~

~~The Protection Class listings in the Community Mitigation Classification Manual apply to risks insured under Dwelling Program Policies.~~

- ~~A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.).~~
- ~~B. In a classified area where two or more classifications are shown (for example: 6/9), the classification is determined as follows:~~

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9
3. Over 5 road miles	10

~~* First protection class (for example 6/9) ... use Class 6~~

~~Table 104.B. Two Or More Classifications~~

- ~~C. All other properties are Class 10.~~

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RULE 204. MULTIPLE LOCATIONS

A policy may be issued to provide insurance at more than one ~~as~~ Described ~~the~~ Location in the same state provided:

- A. The same form and deductible applies at each location;
- B. A separate policy ~~as~~Declarations page is completed for each location; or
- C. The policy ~~as~~Declarations page is completed by:
 - 1. Showing the total policy premium for all locations in the premium payments section.
 - 2. Showing the deductible by entry of the deductible amount and adding "at each location".
 - 3. Inserting the form number that applies.
 - 4. Adding an appropriate reference to the Additional Dwelling Declarations or company equivalent.

**Dwelling Policy Program Manual
 General Rules**

**RULE 205.
 MULTIPLE POLICIES**

* * * *

D. Example

The following example is a premium computation between two companies using a \$50,000 Coverage A Limit. The premiums shown are only for illustration.

Each Company's	Company A	Company B
Percentage share	70%	30%
Premium for \$50,000 Cov. A	\$240	\$200
Each Company's Policy Premium	\$168 (70% of \$240)	\$60 (30% of \$200)
Total Premium	(168 + 60) = \$228	

Table 205.D. Example

Dwelling Policy Program Manual General Rules

RULE 210.
REFER TO COMPANY

Refer to company for:

A. Rating or classifying any risk for which there is no manual rate.

B. Situations where a portion of the property coverage is reinsured on a facultative basis.

The following rating procedure is available for the determination of the applicable premium:

1. Manual rules and rates shall apply to the portion of the property limit of liability retained by the company.

2. For any portion of the limit(s) of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50% of the facultative cost.

With respect to premium developed in accordance with this Paragraph 2., the company is responsible for maintaining complete files, including all details relating to selection of the premium charge.

Whenever a risk is rated on a refer_to_company basis each company is responsible for complying with regulatory or statutory rate filing or disclosure requirements.

Note

Rates shall not be inadequate, excessive or unfairly discriminatory.

**Dwelling Policy Program Manual
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RULE 211.
ADDITIONAL INSURED

A. Coverage Description

1. In addition to the named insured shown in the Declarations, another person or organization may be considered an insured in this policy with respect to Coverage A – Dwelling and Coverage B – Other Structures at the Described Location listed in the Schedule, or elsewhere in the policy. The interest of such persons or organization and the Described Location to which it applies may be acknowledged by naming them in the endorsement referenced in Paragraph C.
2. Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.

B. Premium Computation

No additional charge is made for use of this endorsement.

C. Endorsement

Use Additional Insured Endorsement **DP 04 41**.

**Dwelling Policy Program Manual
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**RULE 303.
 ORDINANCE OR LAW COVERAGE – ALL FORMS**

A. Applicability By Form

* * * *

2. DP 00 02 And DP 00 03

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-~~O~~wner 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-~~O~~wner Building Items; or
- c. Improvements, Alterations and Additions if the insured is a tenant of a Described Location.

This amount may be increased by endorsement. See Paragraph **B.** for rating instructions.

B. New Or Increased Coverage

* * * *

3. Premium Determination

a. Described Location Including Coverage A

(1) Form DP 00 01

(a) Fire And Extended Coverage

The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Percentage Of Coverage A	
Total Amount	Factors
10%	1.10
25%	1.25
50%	1.45
75%	1.70
100%	1.90
For each add'l 25% increment, add:	.20

Table 303.B.3.a.(1)(a) Factors

Percentage Of Coverage A	
Total Amount	Factors
10%	1.03
25%	1.08
50%	1.15
75%	1.23
100%	1.30
For each add'l 25% increment, add:	.08

Table 303.B.3.a.(1)(a) Factors

(b) Vandalism And Malicious Mischief

Multiply the rate per \$1,000 used to determine the Vandalism and Malicious Mischief Base Premium, by the dollar amount of coverage added. Then multiply the result by .30.

(2) DP 00 02 Or DP 00 03 – Fire, Broad Or Special Forms

The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Percentage Of Coverage A		
Increase In Amount	Total Amount	Factors
15%	25%	1.15
40%	50%	1.35
65%	75%	1.60
90%	100%	1.80
For each add'l 25% increment, add:		.20

Table 303.B.3.a.(2) Factors

Percentage Of Coverage A		
Increase In Amount	Total Amount	Factors
15%	25%	1.05
40%	50%	1.12
65%	75%	1.20
90%	100%	1.27
For each add'l 25% increment, add:		.08

Table 303.B.3.a.(2) Factors

- b. Described Location Not Including Coverage A, But Including Coverage B – Specific Structures, Unit-Owner Building Items, And/Or Improvements, Alterations And Additions

See Rule 503. for rating instructions.

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**RULE 304.
PERMITTED INCIDENTAL OCCUPANCIES**

* * * *

C. Amount Of Insurance

The amounts of insurance for the contents of the incidental occupancy and merchandise in storage shall be stated as separate contents items in the policy ~~a~~Declarations.

The remainder of the rule is unchanged.

**Dwelling Policy Program Manual
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**RULE 402.
 COVERAGE C – PERSONAL PROPERTY IN BUILDINGS SUBJECT TO COMMERCIAL CLASS RATES OR SPECIFIC RATES**

A. Fire

If the building is classified in Division Five of the Commercial Lines Manual – Fire And Allied Lines, Rule 85., Paragraph **B.1., B.2., ~~B.3.,~~ or B.4.,** use the appropriate factor selected from the following table:

Types Of Construction	B.1. Or B.2.*	<u>All Other B.2. Classifications, B.3., B.4. Or Is Rated Specifically</u>
1. Fire Resistive, Masonry Non-Comb. & Non-Comb. Multiply the Masonry Coverage C Base Premium by:	.50	1.00
2. All Other Construction Multiply the Masonry Coverage C or Frame Base Premium by:	1.00	2.00

* Hotels and Motels Without Restaurant Only

Table 402.A. Coverage C – Personal Property In Buildings

B. Extended Coverage, Vandalism And Malicious Mischief, Broad Or Special Form

Multiply the Coverage C Base Premium by 1.00.

**Dwelling Policy Program Manual
General Rules**

**RULE 404.
MOBILE OR TRAILER HOMES – DP 00 01 ONLY**

Refer to the state company rates/ISO loss costs.

Rule 410. does not apply to Mobile or Trailer homes.

**Dwelling Policy Program Manual
 General Rules**

**RULE 406.
 DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all perils except Earthquake. A separate deductible type applies to Earthquake Coverage as described in Rule 509.

For Theft Coverage, the deductible amount may differ from the deductible amount that applies to Fire and Allied Lines perils.

Refer to the Earthquake and Theft Coverage rules for the applicable deductible provision.

A. Base Deductible

\$~~250~~500 Deductible.

B. Optional Deductibles

1. All Perils Deductibles

To compute the premium for these options, multiply the Base Premium for the Base Deductible by the appropriate factors selected from the following table state exception pages:

Deductible	Fire	E.C., V.&M.M., Broad & Special Forms
\$ 100*	1.05	1.10
500	.97	.94
1,000	.95	.76
2,500	.88	.50

* Refer to company for the minimum annual additional premium charge that applies per policy for all \$100 All Perils Deductibles

Table 406.B.1. All Perils Deductibles

2. Windstorm Or Hail Deductibles

When the policy covers the peril of Windstorm or Hail, the following deductible options ~~are~~ may be used in conjunction with a deductible applicable to all other perils covered under Extended Coverage, Broad or Special Forms.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, ~~or 5%~~, 7.5% and 10% of the limit of liability that applies to Coverage **A**, **B**, **D** or **E**, whichever is greatest, when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **DP 03 12**.

(3) Declarations Instructions

Enter, on the policy ~~d~~Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to ~~a~~All ~~e~~Other ~~p~~Perils. For example:

Deductible – Windstorm or Hail 2% of the Coverage **A** limit and \$~~250~~500 for ~~a~~All ~~e~~Other ~~p~~Perils.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages. ~~For example:~~

Gov.	Limit Of Liability	1% Ded.	Amount Of Loss	
			Before Ded.	After Ded.
A	\$ 100,000	\$ 1,000	\$ 7,500	-
B	-	-	3,000	-
C	35,000	-	-	-
D	18,500	-	660	-
E	-	-	-	-
			\$ 11,160	\$ 10,160

Table 406.B.2.a.(4) Example

(5) Coverage Options

The deductible factors for Coverage A, B, D, or E and coverage options for buildings and non-building structures differ by the deductible percentage amounts that apply to Windstorm or Hail deductible amounts that apply to other perils, and the Coverage A, B, D or E limit.

The deductible factors for Coverage C and other personal property coverage options differ by the deductible percentage amounts that apply to Windstorm or Hail and the deductible amounts that apply to other perils.

(56) Use Of Factors

The factors ~~displayed in Paragraph (6) for the Windstorm or Hail Deductibles~~ incorporate the factors for the All Perils Deductibles ~~shown in Paragraph B.1. above.~~ Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(67) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor selected from ~~the following table for the deductible amounts desired:~~ the state exception pages.

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm Or Hail Deductible Amounts		
	1%	2%	5%
\$ 100	.99	.92	.82
250	.93	.86	.77
500	.88	.81	.71
1,000	.72	.72	.63
2,500	.49	.49	.48

Table 406.B.2.a.(6)#1 Factors

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Windstorm Or Hail 1%, 2% Or 5% Deductible
\$ 100	1.07
250	.99
500	.90
1,000	.72
2,500	.49

* Only use when policy also covers building or non-building structures

Table 406.B.2.a(6)#2 Factors

b. Higher Fixed-Dollar Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000, ~~and \$5,000, \$7,500 and \$10,000~~ when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.

(2) Endorsement

An endorsement is not required.

(23) Declarations Instructions

Separately enter, on the policy ~~d~~Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Perils. For example: \$1,000 for Windstorm or Hail and \$500 for All Other Perils.

~~Deductible — \$250 except \$1,000 for Windstorm or Hail.~~

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(35) Coverage Options

The deductible factors for Coverage **A, B, D** or **E** and coverage options for buildings and non-building structures differ by the deductible amounts that apply to Windstorm or Hail and to other perils.

The deductible factors for Coverage **C** and other personal property coverage options differ by the deductible amount that applies to other perils. They do not differ by the amount of the Windstorm or Hail deductible.

(46) Use Of Factors

The factors ~~displayed in Paragraph (5) for the Windstorm or Hail Deductibles~~ incorporate the factors for the All Perils Deductibles, ~~shown in Paragraph B.1.~~ Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(57) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor selected from the ~~following table for the deductible amounts desired:~~ state exception pages.

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm Or Hail Deductible Amounts		
	\$1000	\$2000	\$5000
\$ 100	.95	.87	.83
250	.89	.81	.77
500	.84	.76	.72
1,000	–	.68	.64
2,500	–	–	.49

Table 406.B.2.b.(5)#1 Factors

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Windstorm Or Hail Deductible Amounts \$1000, \$2000 Or \$5000
	\$ 100
250	.90
500	.82
1,000	.68
2,500	.49

* Only use when policy also covers building or non-building structures

Table 406.B.2.b.(5)#2 Factors

**Dwelling Policy Program Manual
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**RULE 408.
PROTECTIVE DEVICES**

A. Protective Devices Factors

Approved and properly maintained installations of fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Fire Base Premium by the selected factors below:

The remainder of the rule is unchanged

**Dwelling Policy Program Manual
General Rules**

**RULE 409.
ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF
SURFACING – DP 00 02, DP 00 03 AND DP 00 01 WITH DP 00 08**

A. Introduction

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm or Hail.

C. Premium Determination

To develop a premium for this option, multiply the Extended Coverage, if applicable, and Broad or Special Form Base Premium by a factor of .98.

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing Endorsement **DP 04 75**.

Dwelling Policy Program Manual General Rules

RULE 410. BUILDING CODE EFFECTIVENESS GRADING

This rule does not apply to Mobile or Trailer homes.

A. General Information

1. The Building Code Effectiveness Grading Schedule (BCEGS) develops a grade of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the perils of Windstorm or Hail or Earthquake may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The Building Code Effectiveness Grading BCEGS factor applies, where applicable, in addition to the Public Protection Classification factors.
2. In some communities, two Building Code Effectiveness Grades BCEGS classifications may be assigned. One grade classification for personal lines indicated next to "PERS" will apply to one- and two-family dwelling buildings and/or personal property contained in such buildings. The other grade classification indicated next to "COML" will apply to all other buildings occupied for residential, commercial and/or manufacturing purposes, including personal and business property contained therein. The ISO Community Mitigation Classifications Manual will indicate the application of each grade.
3. Refer to the ISO Community Mitigation Classifications (CMC) Manual for the Building Code Effectiveness Grades BCEGS classifications for a community, and their effective dates, are provided in the Community Mitigation Classification Manual published by Insurance Services Office, Inc.

B. Community Grading

1. The Building Code Effectiveness Grade BCEGS classification applies to any building that has an original certificate of occupancy dated the year of the effective date of the community grading, or later. A rating factor has been developed for each community grade classification.
2. If a community is regraded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
3. Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
4. If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community grading classification applicable at the time the reconstruction is completed will apply to such building.
5. The Building Code Effectiveness Grade BCEGS classification may apply to Windstorm or Hail or Earthquake, or to both. Specific information is provided in the ISO Community Mitigation Classifications (CMC) Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.

C. Individual Grading

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes even though the community grade is greater than one, exception rating procedures may apply.

1. Any building may be classified as a Grade-1 for Windstorm or Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the windstorm or hail hazard. This classification is effective only from the date of the certification.
2. Any building may be classified as a Grade-1 for Earthquake upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with the earthquake mitigation elements of one of the three nationally recognized building codes. This classification is effective only from the date of the certification.

D. Ungraded Risks

Buildings which do **not** meet the criteria in Paragraph **B.** or **C.** for Grade classification assignment are rated and coded as ungraded risks. Do not classify as Grade-a 10.

E. Premium Credit Computation

1. Community Grading

a. Windstorm Or Hail

Compute the premium credit as follows:

(1) For buildings which are eligible under Paragraph **B.** of this rule, and for personal property inside such buildings, multiply the Key Premium for Extended Coverage (**DP 00 4001**) by the applicable factor in Paragraph **E.1.c.(1)**; and

(2) Multiply the result from Paragraph (1) by the Key Factor for the desired amount of insurance.

b. Earthquake

When Earthquake Endorsement **DP 04 69** is attached to the policy, multiply the Earthquake Base Premium by the appropriate factor in Paragraph **E.1.c.(2)** located in the state exceptions.

c. Credit Factors

Refer to state exceptions for state-specific factors.

2. Individual Grading

For any building classified as ~~a Grade~~-1 based upon certification as set forth in Paragraph **C.**, use the appropriate factor listed under Paragraph **E.1.c.** located in the state exceptions.

Dwelling Policy Program Manual General Rules

RULE 501. COVERAGE B – OTHER STRUCTURES

A. Coverage Description

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.

1. Under Form **DP 00 01**, use of this option reduces the Coverage A limit for the same loss.
2. Under Form **DP 00 02** or **DP 00 03**, this limit is additional insurance.

The blanket limit may not be increased.

No entry is needed in the policy Declarations for this coverage to apply.

B. Specific Structures Coverage

Coverage may be purchased for specific structures. Enter the limit of liability and description of each structure in the policy Declarations. See Refer to Paragraph C. for premium computation instructions.

C. Premium Computation

1. Structure Rented To Others For Dwelling Purposes

Rate each structure separately as a Coverage A Dwelling, Non-Owner-Occupied under Rule **301**.

2. Structure Not Rented To Others For Dwelling Purposes

~~Enter the limit of liability and description of each structure in the Coverages Declarations of the policy at inception or by Change Endorsement DP 12 10 after policy inception.~~

- a. Policy includes Coverage A or structure does not have permitted incidental occupancy or is at same ~~described~~ location as the dwelling:

(1) Fire, Extended Coverage, Broad And Special Forms

Refer to the state company rates/ISO loss costs Rule **500**. Miscellaneous Rates.

(2) Vandalism And Malicious Mischief (DP 00 01)

Refer to the state company rates/ISO loss costs Rule **302**. Vandalism And Malicious Mischief.

- b. Policy does not include Coverage A or structure has permitted incidental occupancy or is not at same ~~described~~ location as the dwelling:

(1) Fire, Extended Coverage, Broad And Special Forms

Rate each structure separately as a Coverage A item under Rule **301**. using the one Family Key Premium.

(2) Vandalism And Malicious Mischief (DP 00 01)

Refer to the state company rates/ISO loss costs Rule **302**. Vandalism And Malicious Mischief.

**Dwelling Policy Program Manual
 General Rules**

**RULE 502.
 COVERAGE D – FAIR RENTAL VALUE
 COVERAGE E – ADDITIONAL LIVING EXPENSE**

A. Introduction

Coverage is automatically provided in the forms on a limited basis as follows:

1. Form DP 00 01

a. Coverage D

Up to 20% of the Coverage A limit is available. Use of this option reduces the Coverage A limit for the same loss. No entry is needed in the policy Declarations for this coverage to apply.

b. Coverage E

Not automatically included in form. It may be added as noted in Paragraph B.

2. Form DP 00 02 Or DP 00 03

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. No entry is needed in the policy Declarations for this coverage to apply.

B. Coverage Description

Coverage may be increased or added as follows for all forms:

1. Coverage D

- a. The amount recoverable each month under this coverage shall be based on the lost rental income less any expenses that do not continue during untenability.
- b. Enter amount of increase in the policy eDeclarations ~~at inception or in Change Endorsement DP 12 10, after policy inception.~~
- c. For **DP 00 01**, 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 dwelling is rented per year. Enter the fraction in the policy declarations or DP 12 10.

DP 00 01 Example

Factors	
\$6,000 <u>0,000</u> +2,000	= Rental Value Coverage in Form (40 20% of Coverage A limit of \$60,000 <u>50,000</u>
= Additional Insurance (Shown under Coverage D in policy e Dclarations)	
\$8,000 <u>2,000</u>	= Total Rental Value Amount Insured
Scenario A	
If dwelling is rented for entire year, then fraction = 1/12. \$8,000 <u>12,000</u> X 1/12 = Up to \$666.66 <u>1,000</u> available each month.	
Scenario B	
If dwelling is rented 8 months per year, then fraction = 1/8. \$8,000 <u>12,000</u> X 1/8 = Up to \$1,000 <u>1,500</u> available each month.	

Table 502.B.1.c. DP 00 01 Example

2. Coverage E

- a. Enter initial limit (**DP 00 01**) or amount of increase (**DP 00 02** or **DP 00 03**) in policy eDeclarations ~~at inception or in Change Endorsement DP 12 10 after policy inception.~~
- b. For DP 00 01, Always show the amount recoverable each month is limited "up to no more than 25% per month" of the total additional living expense amount insured under in the policy or endorsement declarations.
- c. For DP 00 01, Use Additional Living Expense Endorsement DP 04 14.

C. Premium Computation

1. Policy Includes Coverage A Or Coverage C

a. Fire, Extended Coverage, Broad And Special Forms

Refer to the state company rates/ISO loss costs Rule **500**. Miscellaneous Rates.

b. Vandalism And Malicious Mischief (DP 00 01)

Refer to the state company rates/ISO loss costs Rule **302**. Vandalism And Malicious Mischief.

2. Policy Does Not Include Coverage A Or Coverage C

a. Fire, Extended Coverage, Broad And Special Forms

(1) One To Four Family Dwelling

Multiply the Coverage **A** Key Premium by the Coverage **A** Key Factor, for:

(a) The Coverage **D** limit, times .53; or

(b) The Coverage **E** limit, times 1.00

(2) Five Or More Family Dwelling

Calculate the premium as instructed above using the ~~F~~our Family Key Premium.

b. Vandalism And Malicious Mischief (DP 00 01)

Refer to the state company rates/ISO loss costs Rule **302**. Vandalism And Malicious Mischief.

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**RULE 503.
ORDINANCE OR LAW COVERAGE FOR COVERAGE B – SPECIFIC STRUCTURES, BUILDING ITEMS AND
IMPROVEMENTS, ALTERATIONS AND ADDITIONS**

A. Coverage Description

1. DP 00 01

The policy may be endorsed to add an amount of Ordinance or Law Coverage equal to the amounts noted in Paragraphs 1. and 2.

2. DP 00 02 Or DP 00 03

The basic 10% of coverage may be initially increased to the amounts noted in Paragraphs **A.2.a.** and **b.**

- a. 50% of the total Coverage **B** or Unit-~~O~~wner Building Items limit; or
- b. 100% of the Improvements, Alterations and Additions limit.

B. Increased Limits

These amounts may be further increased in 25% increments.

C. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of coverage added for **DP 00 01**, or the dollar amount of increase, represented by the increased percentage selected above the basic limit for **DP 00 02** or **DP 00 03**.
2. ~~Refer to the~~ Multiply state company rates/ISO loss costs Rule **500**. Miscellaneous Rates- by .30.

Dwelling Policy Program Manual General Rules

RULE 504. IMPROVEMENTS, ALTERATIONS AND ADDITIONS TENANT AND CO-OP UNIT-OWNER – DP 00 01 OR DP 00 02

A. Introduction

Named perils coverage is automatically provided in the forms for up to 10% of the Coverage **C** limit.

1. DP 00 01

Use of this option reduces the Coverage **C** limit for the same loss.

2. DP 00 02

This limit is additional insurance.

This limit may be increased for an additional premium.

B. Special Coverage

For Form **DP 00 02**, coverage may be extended to Special Coverage for an additional premium.

C. Stand Alone Coverage

Coverage may be written without Coverage **A, B, C, D** or **E**.

D. Premium Computation

1. Fire, Extended Coverage, Broad And Special Forms

- a. If the policy includes Coverage **A, B, C, D** or **E**, refer to the state company rates/ISO loss costs Rule **500**. Miscellaneous Rates.
- b. If the policy does not include Coverage **A, B, C, D** or **E**, multiply the Coverage **A**, Four Family, Owner-occupied Key Premium (for the territory, protection and construction applying to the ~~e~~Described ~~l~~Location) by the Coverage **A** Key Factor for the amount of insurance desired.

2. Vandalism And Malicious Mischief (DP 00 01)

Refer to the state company rates/ISO loss costs Rule **302**. Vandalism And Malicious Mischief.

E. Endorsement

1. ~~To provide Named Perils Coverage, Use~~ Improvements, Alterations And Additions Endorsement **DP 04 31**.
2. ~~To provide Special Coverage, Use~~ Improvements, Alterations And Additions Endorsement **DP 04 31** and Special Coverage Endorsement **DP 04 65** ~~for Special Coverage~~.

Dwelling Policy Program Manual General Rules

RULE 505. BUILDING ITEMS CONDO UNIT-OWNER – DP 00 01 OR DP 00 02

~~A. Unit Owners Coverage Including Standard Other Insurance And Service Agreement~~

~~4A. Coverage Description~~

~~Unit-owners B~~building items are not covered in the forms.

~~However, for an additional premium, coverage is available on a Named Perils or Special Coverage basis is available for an additional premium.~~

~~3B. Stand Alone Coverage~~

Coverage may be written without Coverage A, B, C, D or E.

~~4C. Premium Computation~~

~~a1. Fire, Extended Coverage, Broad And Special Forms~~

~~(1)a.~~ If the policy includes Coverage A, B, C, D or E, refer to the state company rates/ISO loss costs Rule 500. Miscellaneous Rates.

~~(2)b.~~ If the policy does not include Coverage A, B, C, D or E, multiply the Coverage A., Four Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the ~~e~~Described ~~l~~Location) by the Coverage A Key Factor for the amount of insurance desired.

~~b2. Vandalism And Malicious Mischief (DP 00 01)~~

Refer to the state company rates/ISO loss costs Rule 302. Vandalism And Malicious Mischief.

~~5D. Endorsement~~

~~a1. To provide Named Perils Coverage, Use Form DP 00 01 or DP 00 02 and Unit-Owners Coverage Endorsement DP 17 66.~~

~~b2. To provide Special Coverage, Use Form DP 00 02 and Unit-Owners Coverage Endorsement DP 17 66 and Special Coverage Endorsement DP 04 65.~~

~~B. Unit Owners Coverage Including Modified Other Insurance And Service Agreement Condition~~

~~1. Introduction~~

~~Unit Owners Coverage Endorsement DP 17 66 provides that if there is other insurance in the name of a corporation or association of property owners covering the same property, payment for a covered loss under Unit Owners Coverage Endorsement DP 17 66 will be excess over the amount recoverable under such insurance. If the Association does not recover under its policy, for any reason, there is no payment to the insured unit owner under Unit Owners Coverage Endorsement DP 17 66.~~

~~2. Coverage Description~~

~~The policy may be endorsed to modify the Other Insurance and Service Agreement Condition to provide for payment of a covered loss in excess of the amount due from the other insurance whether the corporation or association of property owners can collect on it or not.~~

~~3. Premium Computation~~

~~Multiply the premium(s) developed in accordance with Paragraph A.3. by 1.25.~~

~~4. Endorsement~~

~~Use Unit Owners Coverage Modified Other Insurance And Service Agreement Condition Endorsement DP 17 71 instead of Unit Owners Coverage Endorsement DP 17 66 noted in Paragraph A.4.~~

**Dwelling Policy Program Manual
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**RULE 509.
EARTHQUAKE COVERAGE**

* * * *

E. Premium For Base Deductible

* * * *

2. Determine the Earthquake territory according to the ZIP code of the residence premises from the State Territory Definitions section in this ~~M~~manual.
3. Add the results of the following three steps:
 - a. Multiply the Coverage **A** limit by the state company rates/ISO loss costs ~~found in Column for Coverage A of in~~ the table;
 - b. Multiply the Coverage **C** limit by the state company rates/ISO loss costs ~~found in Column for Coverage B-C of~~ in the table; and
 - c. Multiply the sum of the Additional Coverage **D** and **E** limits by the state company rates/ISO loss costs ~~found in~~ ~~Column C for Coverages D and E in of~~ the table.
4. For Building or Non-Building Structure Items – All Forms:
Multiply the state company rates/ISO loss costs ~~in Column C for Coverage B of in the T~~table by the appropriate limit of liability for ~~the following Other Building Coverage options, as applicable, and add to the applicable premium determined in Paragraph E.3. (for example, Bldg. Items Coverage; Improvements, Alterations and Additions – Increased Limits and Other Personal Property Coverage – Merchandise in Storage).~~
 - ~~a. Coverage B – Specific Structures;~~
 - ~~b. Improvements, Alterations and Additions – Increased Limits;~~
 - ~~c. Building Items Coverage;~~
5. For Ordinance or Law – Basic and Increased Limit – All Forms:
~~Multiply the state company rates/ISO loss costs determined in E.3.a. by the Ordinance or Law total amount of insurance. This includes basic and, if applicable, increased amounts.~~
~~When the basic Ordinance or Law Coverage limit is added or increased, the earthquake premium is developed based on the added or increased limit of insurance.~~
 - ~~a. For Forms DP 00 01, DP 00 02 and DP 00 03, multiply the rate determined in Paragraph E.3.a. by the appropriate factor selected from Rule 303.B.3.a.~~
 - ~~b. For Coverage B – Specific Structures, Improvements, Alterations and Additions and Building Items Coverage, the premium for this additional coverage is determined based on the dollar amount of added or increased coverage, represented by the increased percentage amount selected above the basic limit. The rate for each additional \$1,000 of insurance is determined as follows: multiply the state company rates/ISO loss costs for Coverage B in the table by .30 and add to the applicable premium determined in Paragraph E.~~

F. Premium For Higher Deductibles

~~Multiply the Base Premium determined in Paragraph E. by a factor from the following table:~~

~~Multiply the Earthquake base premium determined in Paragraph E. for the 10% deductible by the appropriate factor from the following table:~~

The remainder of the rule is unchanged

**Dwelling Policy Program Manual
 General Rules**

**RULE 510.
 THEFT COVERAGE**

* * * *

C. Deductibles

1. Base Deductible

\$~~250~~500 Deductible.

2. Optional Deductibles

To compute the premium for this provision, multiply the premium for the Base Deductible computed in Paragraph B.1. by the factor listed in the following table:

Deductible*	Factor
\$ 100	1.20 1.26
\$ 500 <u>250</u>	.95 1.05
\$ 1,000	.80 .84
\$ 2,500	.65 .68
* Refer to the state company rates pages for the minimum annual additional premium charge that applies per policy.	

Table 510.C.2 Factors

**Dwelling Policy Program Manual
General Rules**

**RULE 511.
SINKHOLE COLLAPSE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Computation

1. Refer to state company rates/ISO loss costs; and;
2. Multiply the rate per \$1,000 by:
 - a. Coverage **A**, **B** and/or **C** amounts of insurance;
 - b. Improvements, Alterations and Additions – Increased Limits;
 - c. Other Building or Structure Options (for example, Bldg. Items Coverage);
 - d. Other Personal Property Coverage Options (for example, Merchandise in Storage); or
 - e. Ordinance or Law Coverage, basic amount and, if applicable, increased amount of coverage.

C. Endorsement

Use Sinkhole Collapse Endorsement **DP 04 99**.

Dwelling Policy Program Manual General Rules

RULE 513.

LIMITED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or ~~water-borne~~-waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

When the optional Limited Water Back-up And Sump Discharge Or Overflow Coverage endorsement is attached to the policy, coverage is provided with respect to direct physical loss, not caused by the negligence of an insured, to property covered, caused by water or waterborne material which originates from within the dwelling on the Described Location and backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment. The basic limit is \$5,000. Unless increased limits are selected, the basic limit must be entered on the coverage endorsement or the policy Declarations.

B. ~~Coverage Option~~Increased Limits

~~The policy may be endorsed to provide such coverage for a limit of liability of \$5,000 subject to a \$250 deductible. No other deductible option is available.~~

The limit may be increased to \$10,000, \$15,000, \$20,000 or \$25,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

C. Premium Computation

Refer to state company rates/ISO loss costs.

D. Endorsement

Use Limited Water Back-Up And Sump Discharge Or Overflow Coverage Endorsement **DP 04 95**.

**Dwelling Policy Program Manual
General Rules**

RULE 515.
OWNED MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

A. Coverage Description

The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured.

Also covered, for an amount equal to 10% of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are **not** permanently installed provided such property is at ~~an insured's residence~~ the Described Location or in or upon the cart off the ~~insured's residence~~ Described Location at the time of loss.

Coverage for loss caused by collision is optional and only applies if declared on the schedule of the endorsement.

* * * *

D. Deductible

~~A deductible amount of \$500 applies separately to each involved golf cart and, separately to Property Coverages if not in or upon a golf cart at the time of loss.~~

~~The~~ A \$500 deductible replaces any other deductible in the policy with respect to any one loss property covered under the endorsement.

The remainder of the rule is unchanged

Dwelling Policy Program Manual General Rules

RULE 517. LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

A. Coverage Description

When the optional Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

\$10,000, on an aggregate basis, to pay for loss and associated costs to covered real or personal property, owned by an insured, that is damaged by fungi, wet or dry rot, or bacteria on the described location as defined in the coverage endorsement. If the basic limit is selected, it is entered on the coverage endorsement or the policy Declarations.

This Coverage applies only for the policy period in which the loss or costs occur.

If more than one location is insured under this policy, enter the address of such locations on this endorsement or the policy Declarations.

B. Increased Limits

1. Limits may be increased to \$25,000 or \$50,000. The limit selected is entered on the coverage endorsement or the policy Declarations.

2. ~~Refer to Paragraph D. Rating Basis, for premium computation instructions.~~

~~C. Application Of Limits Of Liability~~

~~For Property Coverage, \$10,000 or the limit selected is the most coverage that will be provided during the policy period regardless of the number of locations insured for Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage or the number of claims made during the policy period.~~

~~DC. Premium Computation~~

1. Basic Limits

There is no premium adjustment.

2. Increased Limits

Refer to state company rates/ISO loss costs for an additional charge.

~~ED. Endorsement~~

1. ~~Use Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement DP 04 22.~~

2. ~~The subject optional endorsement titled Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage provides complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the applicable limit of liability that applies for the Other Coverage Limited Fungi, Wet Or Dry Rot, Or Bacteria. Also enter on this endorsement the address of all locations to be insured for Limited Fungi, Wet Or Dry Rot, Or Bacteria.~~

North Carolina Rules Supplement

About This Filing

This supplement to the multistate revision of the Dwelling Policy Program Manual - General Rules is being submitted in order to apply the applicable multistate revisions contained in filing DP-2013-RRU13 to the Dwelling Policy Program Manual - North Carolina Exception Pages.

New Rules

We are introducing the following rules in the Dwelling Policy Program Manual - North Carolina Exception Pages:

- ◆ Rule **210**. Refer To Company
- ◆ Rule **303**. Ordinance Or Law Coverage – All Forms
- ◆ Rule **503**. Ordinance Or Law Coverage For Coverage B – Specific Structures, Building Items And Improvements, Alterations And Additions

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Revised Rules

We are revising the following rules in the Dwelling Policy Program Manual - North Carolina Exception Pages:

- ◆ Rule **406**. Deductibles
- ◆ Rule **502**. Coverage D – Fair Rental Value/Coverage E – Additional Living Expense

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Withdrawn Rule

We are withdrawing the following rules from the Dwelling Policy Program Manual - North Carolina Exception Pages.

- ◆ Rule **104**. Protection Classification
- ◆ Rule **513**. Water Back-Up And Sump Overflow And Discharge

Background

In multistate filing DP-2013-RRU13, we revised and introduced several rules to the Dwelling Policy Program Manual - General Rules.

We are now applying any applicable multistate revisions contained in DP-2013-RRU13 to the Dwelling Policy Program Manual - North Carolina Exception Pages as described below. We have retained any current state-specific rules exceptions unless otherwise explained in this supplement.

Explanation of Changes

In order to reflect the changes in the multistate portion of the filing, we are revising:

- ◆ Rule **406**. Deductibles to remove the multistate text from the rule. However, the individual deductible factor Tables will remain.
- ◆ Rule **502**. Coverage D – Fair Rental Value/Coverage E – Additional Living Expense

Certain changes in the multistate portion of the filing do not apply in North Carolina, therefore, we are introducing the following current rules as state exceptions in North Carolina:

- ◆ Rule **210**. Refer To Company
- ◆ Rule **303**. Ordinance Or Law Coverage – All Forms
- ◆ Rule **503**. Ordinance Or Law Coverage For Coverage B – Specific Structures, Building Items And Improvements, Alterations And Additions

With the introduction of Endorsement **DP 04 95** in the companion forms filing, we are withdrawing Rule **513**. Water Back-Up And Sump Overflow And Discharge from the Dwelling Policy Program Manual - North Carolina Exception Pages. Therefore, multistate Rule 513 described in Change No. 9 of multistate filing DP-2013-RRU13 will newly apply.

In addition, as a result of revisions in multistate Rule **104**. we have withdrawn the same rule from the state exceptions.

RULE 104.
PROTECTION CLASSIFICATION INFORMATION

Rule 104. is replaced by the following:

Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classifications (CMC) Manual, applicable to the municipality or classified area where the insured property is located.

210. REFER TO COMPANY

Rule 210. is replaced by the following:

Whenever a risk is rated on a refer to company basis each company is responsible for complying with regulatory or statutory rate filing requirements.

303. ORDINANCE OR LAW COVERAGE – ALL FORMS

Paragraph B.3.a. is replaced by the following:

B. New Or Increased Coverage

3. Premium Determination

a. Described Location Including Coverage A

(1) Form DP 00 01

(a) Fire And Extended Coverage

The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Percentage Of Coverage A	
Total Amount	Factors
10%	1.10
25%	1.25
50%	1.45
75%	1.70
100%	1.90
For each add'l 25% increment, add:	.20

Table 303.B.3.a.(1)(a) Factors

(b) Vandalism And Malicious Mischief

Multiply the rate per \$1,000 used to determine the Vandalism and Malicious Mischief Base Premium, by the dollar amount of coverage added.

(2) DP 00 02 Or DP 00 03 – Fire, Broad Or Special Forms

The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Percentage Of Coverage A		
Increase In Amount	Total Amount	Factors
15%	25%	1.15
40%	50%	1.35
65%	75%	1.60
90%	100%	1.80
For each add'l 25% increment, add		.20

Table 303.B.3.a.(2) Factors

406. DEDUCTIBLES

~~Rule 406.~~ The introductory text in Rule 406. is replaced by the following:

All policies are subject to a deductible that applies to loss from all perils, except Earthquake. A separate deductible type applies to Earthquake Coverage as described in Rule 509.

Refer to the Earthquake Coverage rule for the applicable deductible provision.

~~A. Base Deductible~~

~~\$500 Deductible~~

~~B. Optional Deductibles~~

~~1. All Perils Deductibles~~

~~To compute the premium for these options, multiply the Base Premium for the Base Deductible by the factors selected from the following tables:~~

The following tables are added to Paragraph B.1.:

Fire				
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures				
Deductibles	Coverages A, B, D And Or E Limit (Expressed In \$)			
	Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
\$ 100*	1.080	1.070	1.060	1.050
250*	1.040	1.035	1.030	1.025
1,000	0.981	0.987	0.988	0.992
2,500	0.933	0.953	0.959	0.973
5,000	0.865	0.906	0.919	0.945
7,500	0.809	0.866	0.884	0.922
10,000	0.759	0.829	0.854	0.901

* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 Fire Deductibles.

Table 406.B.1.#1 Fire Coverage A, B, D Or E Deductibles

Fire	
Coverage C And Other Personal Property Coverage Options	
Deductibles	Factors
\$ 100*	1.070
250*	1.035
1,000	0.989
2,500	0.961
5,000	0.923
7,500	0.891
10,000	0.862

* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 Fire Deductibles.

Table 406.B.1.#2 Fire Coverage C Deductibles

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)				
E.C., V. & M.M., Broad And Special Forms				
Coverage A, B, D Or E And Coverage Options For Building And Non-building Structures				
Deductibles	Coverage A, B, D Or E Limit (Expressed In \$)			
	Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
\$ 100*	1.072	1.047	1.035	1.022
250*	1.040	1.027	1.021	1.011
1,000	0.935	0.957	0.967	0.980
2,500	0.800	0.857	0.888	0.935
5,000	0.665	0.741	0.791	0.874
7,500	0.582	0.660	0.719	0.825
10,000	0.530	0.599	0.662	0.784

* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

Table 406.B.1.#3 E.C., V. & M.M., Broad And Special Forms Coverage A, B, D Or E Deductibles

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)	
E.C., V. & M.M., Broad And Special Forms	
Coverage C And Other Personal Property Coverage Options	
Deductibles	Factors
\$ 100*	1.030
250*	1.016
1,000	0.973
2,500	0.910
5,000	0.833
7,500	0.775
10,000	0.728

* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

Table 406.B.1.#4 E.C., V. & M.M., Broad And Special Forms Coverage C Deductibles

Territories 170-390 (Inland)				
E.C., V. & M.M., Broad And Special Forms				
Coverage A, B, D Or E And Coverage Options For Building And Non-building Structures				
Deductibles	Coverage A, B, D Or E Limit (Expressed In \$)			
	Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
\$ 100*	1.108	1.083	1.073	1.056
250*	1.060	1.047	1.044	1.034
1,000	0.910	0.928	0.939	0.948
2,500	0.727	0.773	0.802	0.838
5,000	0.548	0.603	0.645	0.711
7,500	0.451	0.500	0.541	0.621
10,000	0.393	0.436	0.472	0.555

* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

Table 406.B.1.#5 E.C., V. & M.M., Broad And Special Forms Coverage A, B, D Or E Deductibles

Territories 170-390 (Inland)	
E.C., V. & M.M., Broad And Special Forms	
Coverage C And Other Personal Property Coverage Options	
Deductibles	Factors
\$ 100*	1.077
250*	1.045
1,000	0.936
2,500	0.800
5,000	0.651
7,500	0.555
10,000	0.489

* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

Table 406.B.1.#6 E.C., V. & M.M., Broad And Special Forms Coverage C Deductibles

The introductory text in Paragraph B.2. is replaced by the following:

B. Optional Deductibles

2. Windstorm Or Hail Deductibles

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in conjunction with a deductible applicable to all other perils covered under Extended Coverage, Broad or Special Forms. They may not be used on a policy in conjunction with a Named Storm deductible as described in Paragraph 3.

a. Percentage Deductibles

(1) Deductible Amounts

~~This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2%, 5%, 7.5% and 10% of the limit of liability that applies to Coverage A, B, D or E, whichever is greatest, when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.~~

~~(2) Endorsement~~

~~Use Windstorm Or Hail Percentage Deductible Endorsement DP 03-12.~~

~~(3) Declarations Instructions~~

~~Enter, on the policy Declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Perils. For example:~~

~~Deductible—Windstorm or Hail 2% of the Coverage A limit and \$500 for All Other Perils.~~

~~(4) Deductible Application~~

~~In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.~~

~~(5) Coverage Options~~

~~The deductible factors for Coverage A, B, D or E and Coverage Options For Buildings And Non-building Structures differ by the deductible percentage amounts that apply to Windstorm or Hail, deductible amounts that apply to other perils, and the Coverage A, B, D or E limit.~~

~~The deductible factors for Coverage C and Other Personal Property Coverage Options differ by the deductible percentage amounts that apply to Windstorm or Hail and the deductible amounts that apply to other perils.~~

~~(6) Use Of Factors~~

~~The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.~~

Paragraph B.2.a.(7) is replaced by the following:

a. Percentage Deductibles

(7) Deductible Factors

When the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA – Territories 110, 120, 130, 140, 150 and 160), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located in Area Serviced by the NCIUA

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the factor selected for the desired windstorm or hail deductible options from the following tables.

(b) Property Is Located in Area Serviced by the NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rates, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 And 160 Only, by the Key Factor, for the same amount of insurance used to determine the Extended Coverage, Broad or Special Form Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract the factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Extended Coverage, Broad or Special Form Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less than** the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Extended Coverage, Broad or Special Form Base Premium.

Step 2. is **greater than or equal to** Step 4., multiply the Extended Coverage, Broad or Special Form Base Premium by the factor for the desired windstorm or hail deductible option.

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amounts	Coverages A, B, D And Or E Limit (Expressed In \$)			
		Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
1%	\$ 100	0.956	0.926	0.916	0.899
	250	0.952	0.925	0.915	0.898
	500	0.946	0.924	0.913	0.897
	1,000	0.933	0.921	0.911	0.895
	2,500	–	–	–	0.879
	5,000	–	–	–	0.878
	7,500	–	–	–	0.872
	10,000	–	–	–	0.855
2%	100	0.868	0.841	0.832	0.818
	250	0.866	0.840	0.832	0.817
	500	0.863	0.838	0.830	0.816
	1,000	0.856	0.836	0.828	0.815
	2,500	–	0.830	0.823	0.810
	5,000	–	–	–	0.805
	7,500	–	–	–	0.797
	10,000	–	–	–	0.792
5%	100	0.705	0.680	0.675	0.665
	250	0.704	0.679	0.674	0.664
	500	0.701	0.678	0.673	0.663
	1,000	0.697	0.675	0.670	0.661
	2,500	0.686	0.669	0.665	0.657
	5,000	0.671	0.663	0.659	0.652
	7,500	–	0.657	0.655	0.648
	10,000	–	–	0.651	0.646
7.5%	100	0.622	0.599	0.594	0.585
	250	0.620	0.598	0.593	0.585
	500	0.618	0.596	0.592	0.584
	1,000	0.615	0.594	0.590	0.582
	2,500	0.606	0.588	0.585	0.577
	5,000	0.594	0.581	0.578	0.572
	7,500	0.585	0.578	0.574	0.569
	10,000	–	0.574	0.572	0.566
10%	100	0.557	0.535	0.531	0.522
	250	0.555	0.534	0.530	0.522
	500	0.553	0.533	0.529	0.521
	1,000	0.550	0.530	0.527	0.519
	2,500	0.542	0.524	0.521	0.515
	5,000	0.532	0.518	0.515	0.510
	7,500	0.524	0.514	0.511	0.506
	10,000	0.518	0.511	0.509	0.504

Table 406.B.2.a.(7)#1 Coverage A, B, D Or E Windstorm Or Hail Percentage Deductibles

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)								
Coverage C And Other Personal Property Coverage Options*								
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amounts (Expressed In \$)							
	100	250	500	1,000	2,500	5,000	7,500	10,000
1%	0.909	0.908	0.906	0.902	0.890	0.876	0.870	0.853
2%	0.827	0.826	0.825	0.822	0.815	0.804	0.795	0.791
5%	0.671	0.670	0.669	0.667	0.662	0.655	0.650	0.645
7.5%	0.591	0.590	0.589	0.587	0.582	0.575	0.571	0.568
10%	0.528	0.527	0.526	0.523	0.518	0.513	0.508	0.505

* Only use when policy also covers building or non-building structures.

Table 406.B.2.a.(7)#2 Coverage C And Other Personal Property Windstorm Or Hail Percentage Deductibles

Territories 170-390 (Inland)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amounts	Coverages A, B, D And Or E Limit (Expressed In \$)			
		Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
1%	\$ 100	0.990	0.947	0.926	0.885
	250	0.975	0.937	0.917	0.878
	500	0.949	0.921	0.902	0.867
	1,000	0.903	0.893	0.878	0.848
	2,500	–	–	–	0.802
	5,000	–	–	–	0.711
	7,500	–	–	–	0.654
	10,000	–	–	–	0.608
2%	100	0.916	0.866	0.843	0.802
	250	0.902	0.855	0.833	0.795
	500	0.879	0.840	0.819	0.784
	1,000	0.841	0.812	0.794	0.765
	2,500	–	0.748	0.737	0.718
	5,000	–	–	–	0.664
	7,500	–	–	–	0.605
	10,000	–	–	–	0.567
5%	100	0.785	0.730	0.711	0.688
	250	0.771	0.720	0.701	0.681
	500	0.749	0.705	0.687	0.669
	1,000	0.715	0.676	0.663	0.650
	2,500	0.634	0.612	0.605	0.604
	5,000	0.540	0.542	0.539	0.549
	7,500	–	0.495	0.496	0.511
	10,000	–	–	0.464	0.483
7.5%	100	0.729	0.681	0.667	0.650
	250	0.715	0.670	0.658	0.643
	500	0.693	0.655	0.643	0.632
	1,000	0.659	0.626	0.619	0.613
	2,500	0.582	0.563	0.561	0.566
	5,000	0.498	0.492	0.495	0.512
	7,500	0.444	0.449	0.453	0.474
	10,000	–	0.421	0.423	0.446

10%	100	0.692	0.650	0.640	0.626
	250	0.678	0.639	0.630	0.619
	500	0.656	0.624	0.616	0.608
	1,000	0.623	0.596	0.591	0.589
	2,500	0.548	0.532	0.534	0.542
	5,000	0.466	0.461	0.468	0.487
	7,500	0.417	0.419	0.425	0.449
	10,000	0.384	0.391	0.396	0.422

Table 406.B.2.a.(7)#3 Coverage A, B, D Or E Windstorm Or Hail Percentage Deductibles

Territories 170-390 (Inland)								
Coverage C And Other Personal Property Coverage Options*								
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amounts (Expressed In \$)							
	100	250	500	1,000	2,500	5,000	7,500	10,000
1%	0.927	0.917	0.901	0.873	0.789	0.693	0.634	0.587
2%	0.845	0.836	0.821	0.796	0.733	0.646	0.585	0.548
5%	0.719	0.709	0.695	0.671	0.616	0.550	0.504	0.469
7.5%	0.674	0.665	0.650	0.626	0.573	0.510	0.467	0.436
10%	0.646	0.636	0.621	0.598	0.545	0.483	0.441	0.412

* Only use when policy also covers building or non-building structures.

Table 406.B.2.a.(7)#4 Coverage C And Other Personal Property Windstorm Or Hail Percentage Deductibles

~~b. Higher Fixed-Dollar Deductibles~~

~~(1) Deductible Amounts~~

~~This option provides for higher Windstorm or Hail fixed-dollar deductible amounts of \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.~~

~~(2) Endorsement~~

~~An endorsement is not required.~~

~~(3) Declarations Instructions~~

~~Separately enter, on the policy Declarations, the deductible amounts that apply to Windstorm or Hail and All Other Perils. For example: \$1,000 for Windstorm or Hail and \$500 for All Other Perils.~~

~~(4) Deductible Application~~

~~In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.~~

~~(5) Coverage Options~~

~~The deductible factors for Coverage A, B, D or E and Coverage Options For Buildings And Non-building Structures differ by the deductible amounts that apply to Windstorm or Hail and to other perils and the Coverage A, B, D or E limit.~~

~~The deductible factors for Coverage C and Other Personal Property Coverage Options differ by the deductible amounts that apply to Windstorm or Hail and other perils.~~

~~(6) Use Of Factors~~

~~The factors for the Windstorm or Hail Deductibles incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.~~

Paragraph **B.2.b.(7)** is replaced by the following:

b. Higher Fixed-dollar Deductibles

(7) Deductible Factors

When the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA – Territories 110, 120, 130, 140, 150 and 160), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

(a) Property Not Located in Area Serviced by the NCIUA

Multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the factor selected for the desired windstorm or hail deductible options from the following tables.

(b) Property Is Located in Area Serviced by the NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rates under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 and 160 Only, by the Key Factor, for the same amount of insurance used to determine the Extended Coverage, Broad or Special Form Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract the factor from unity (1.00).

Step 4. Multiply the factor determined in Step 3. by the Extended Coverage, Broad or Special Form Base Premium. The result is the windstorm or hail deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less than** the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Extended Coverage, Broad or Special Form Base Premium.

Step 2. is **greater than or equal to** Step 4., multiply the Extended Coverage, Broad or Special Form Base Premium by the factor for the desired windstorm or hail deductible option.

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Amounts	All Other Perils Deductible Amounts	Coverage A, Or B, D Or E Limit (Expressed In \$)			
		Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
\$ 1,000	\$ 100	0.942	0.962	0.972	0.984
	250	0.940	0.961	0.971	0.983
	500	0.938	0.959	0.970	0.982
2,000	100	0.850	0.896	0.921	0.955
	250	0.849	0.895	0.920	0.954
	500	0.847	0.893	0.918	0.953
	1,000	0.843	0.891	0.916	0.952
5,000	100	0.685	0.758	0.807	0.887
	250	0.683	0.757	0.806	0.886
	500	0.681	0.756	0.805	0.885
	1,000	0.678	0.753	0.803	0.883
	2,500	0.672	0.747	0.797	0.879
7,500	100	0.606	0.681	0.738	0.841
	250	0.605	0.680	0.738	0.841
	500	0.603	0.679	0.736	0.840
	1,000	0.600	0.676	0.734	0.838
	2,500	0.593	0.670	0.729	0.833
	5,000	0.586	0.664	0.723	0.828

10,000	100	0.556	0.623	0.684	0.803
	250	0.555	0.622	0.684	0.802
	500	0.553	0.621	0.682	0.801
	1,000	0.550	0.618	0.680	0.799
	2,500	0.543	0.612	0.675	0.795
	5,000	0.536	0.606	0.669	0.790
	7,500	0.532	0.602	0.665	0.786

Table 406.B.2.b.(7)#1 Coverage A, B, D Or E Windstorm Or Hail Fixed-dollar Deductibles

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)							
Coverage C And Other Personal Property Coverage Options*							
Windstorm Or Hail Deductible Amounts	All Other Perils Deductible Amounts (Expressed In \$)						
	100	250	500	1,000	2,500	5,000	7,500
\$ 1,000	0.977	0.977	0.975	–	–	–	–
2,000	0.937	0.936	0.935	0.933	–	–	–
5,000	0.848	0.847	0.846	0.844	0.839	–	–
7,500	0.793	0.792	0.791	0.789	0.784	0.778	–
10,000	0.750	0.749	0.747	0.745	0.740	0.735	0.731

* Only use when policy also covers building or non-building structures.

Table 406.B.2.b.(7)#2 Coverage C And Other Personal Property Windstorm Or Hail Fixed-dollar Deductibles

Territories 170-390 (Inland)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Amounts	All Other Perils Deductible Amounts	Coverage A, B, D Or E Limit (Expressed In \$)			
		Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
\$ 1,000	\$ 100	0.979	0.983	0.987	0.985
	250	0.965	0.972	0.978	0.978
	500	0.943	0.957	0.963	0.967
2,000	100	0.900	0.917	0.930	0.940
	250	0.886	0.907	0.921	0.933
	500	0.864	0.892	0.906	0.922
	1,000	0.831	0.863	0.882	0.903
5,000	100	0.766	0.791	0.817	0.849
	250	0.752	0.781	0.808	0.842
	500	0.730	0.766	0.793	0.831
	1,000	0.697	0.737	0.769	0.812
	2,500	0.624	0.673	0.711	0.765
7,500	100	0.712	0.731	0.756	0.797
	250	0.698	0.721	0.747	0.790
	500	0.676	0.706	0.732	0.779
	1,000	0.643	0.677	0.708	0.760
	2,500	0.569	0.613	0.650	0.713
	5,000	0.494	0.543	0.584	0.659
10,000	100	0.681	0.695	0.716	0.759
	250	0.666	0.684	0.706	0.752
	500	0.645	0.669	0.692	0.741
	1,000	0.611	0.640	0.668	0.722
	2,500	0.538	0.577	0.610	0.675
	5,000	0.462	0.506	0.544	0.620
	7,500	0.420	0.463	0.501	0.582

Table 406.B.2.b.(7)#3 Coverage A, B, D Or E Windstorm Or Hail Fixed-dollar Deductibles

Territories 170-390 (Inland)							
Coverage C And Other Personal Property Coverage Options*							
Windstorm Or Hail Deductible Amounts	All Other Perils Deductible Amounts (Expressed In \$)						
	100	250	500	1,000	2,500	5,000	7,500
\$ 1,000	0.983	0.974	0.959	–	–	–	–
2,000	0.924	0.915	0.900	0.877	–	–	–
5,000	0.813	0.803	0.789	0.765	0.712	–	–
7,500	0.756	0.747	0.732	0.708	0.655	0.595	–
10,000	0.718	0.709	0.694	0.671	0.618	0.557	0.517

* Only use when policy also covers building or non-building structures.

Table 406.B.2.b.(7)#4 Coverage C And Other Personal Property Windstorm Or Hail Fixed-dollar Deductibles

The following is added to Paragraph B.:

3. Named Storm Deductibles – Territories 110, 120, 130, 140, 150 and 160

When the policy covers the peril of Windstorm or Hail, the following deductible options may be used in the listed territories in conjunction with the deductible applicable to all other Perils under Extended Coverage, Broad or Special Forms. They may not be used on a policy in conjunction with a Windstorm or Hail deductible as described in Paragraph 2.

a. Percentage Deductibles – Territories 110, 120, 130, 140, 150 and 160 Only

(1) Deductible Amounts

This option provides for higher Named Storm percentage deductibles of 1%, 2%, 5%, 7.5% and 10% of the limit of liability that applies to Coverage **A, B, D or E**, whichever is greatest, when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.

(2) Endorsement

Use Named Storm Deductible – North Carolina Endorsement **DP 32 18**.

(3) Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Named Storm and the dollar amount that applies to All Other Section **I** Perils. For example:
 Deductible – Named Storm 2% of Coverage **A** limit and \$500 for all other perils.

(4) Deductible Application

In the event of a Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Coverage Options

The deductible factors for Coverage **A, B, D or E** and Coverage Options For Buildings and Non-building Structures differ by the deductible percentage amounts that apply to Named Storm, deductible amounts that apply to other perils and the Coverage **A, B, D or E** limit.

The deductible factors for Coverage **C** and Other Personal Property Coverage Options differ by the deductible percentage amounts that apply to Named Storm and the deductible amounts that apply to other perils.

(6) Use Of Factors

The factors displayed in Paragraph **(7)** incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

(7) Deductible Factors

When the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA – Territories 110, 120, 130, 140, 150 and 160), additional calculations must be performed to ensure that the premium credit applied for the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 and 160 Only, by the Key Factor, for the same amount of insurance used to determine the Extended Coverage, Broad or Special Form Base Premium.

Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".

Step 3. Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).

- Step 4. Multiply the factor determined in Step 3. by the Extended Coverage, Broad or Special Form Base Premium. The result is the named storm deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in:
 Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Extended Coverage, Broad or Special Form Base Premium.
 Step 2. is **greater than or equal to** the result in Step 4., multiply the Extended Coverage, Broad or Special Form Base Premium by the factor for the desired named storm deductible option.

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Named Storm Percentage	All Other Perils Deductible Amounts	Coverage A, B, D Or E Limit (Expressed In \$)			
		Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
1%	\$ 100	0.958	0.928	0.918	0.902
	250	0.954	0.927	0.917	0.901
	500	0.947	0.925	0.915	0.900
	1,000	0.933	0.922	0.912	0.897
	2,500	–	–	–	0.886
	5,000	–	–	–	0.878
	7,500	–	–	–	0.872
	10,000	–	–	–	0.855
2%	100	0.872	0.845	0.837	0.824
	250	0.869	0.844	0.836	0.823
	500	0.865	0.842	0.834	0.821
	1,000	0.857	0.838	0.831	0.819
	2,500	–	0.831	0.824	0.813
	5,000	–	–	–	0.806
	7,500	–	–	–	0.798
	10,000	–	–	–	0.792
5%	100	0.711	0.688	0.683	0.673
	250	0.709	0.687	0.682	0.672
	500	0.707	0.685	0.680	0.671
	1,000	0.702	0.681	0.677	0.668
	2,500	0.689	0.674	0.670	0.663
	5,000	0.671	0.665	0.662	0.656
	7,500	–	0.657	0.656	0.651
	10,000	–	–	0.652	0.647
7.5%	100	0.629	0.608	0.603	0.594
	250	0.628	0.606	0.602	0.594
	500	0.625	0.605	0.600	0.592
	1,000	0.621	0.601	0.597	0.590
	2,500	0.609	0.593	0.590	0.584
	5,000	0.595	0.584	0.582	0.577
	7,500	0.585	0.579	0.577	0.572
	10,000	–	0.575	0.573	0.569
10%	100	0.565	0.545	0.541	0.532
	250	0.563	0.543	0.539	0.531
	500	0.561	0.541	0.538	0.530
	1,000	0.557	0.538	0.535	0.527
	2,500	0.546	0.530	0.528	0.521
	5,000	0.534	0.521	0.519	0.515
	7,500	0.525	0.516	0.514	0.510
	10,000	0.519	0.512	0.510	0.506

Table 406.B.3.a.(7)#1 Coverage A, B, D Or E Named Storm Percentage Deductibles

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)								
Coverage C And Other Personal Property Coverage Options*								
Named Storm Percentage	All Other Perils Deductible Amounts (Expressed in \$)							
	100	250	500	1,000	2,500	5,000	7,500	10,000
1%	0.912	0.910	0.908	0.904	0.890	0.876	0.869	0.852
2%	0.832	0.831	0.829	0.825	0.817	0.804	0.795	0.790
5%	0.679	0.678	0.676	0.673	0.666	0.658	0.651	0.646
7.5%	0.600	0.599	0.597	0.594	0.587	0.579	0.573	0.569
10%	0.537	0.536	0.534	0.531	0.525	0.516	0.511	0.507

* Only use when policy also covers building or non-building structures.

Table 406.B.3.a.(7)#2 Coverage C And Other Personal Property Named Storm Percentage Deductibles

b. Higher Fixed-dollar Deductibles – Territories 110, 120, 130, 140, 150 and 160 Only

(1) Deductible Amounts

This option provides for higher Named Storm Fixed-dollar deductible amounts of \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.

(2) Endorsement

Use Named Storm Deductible – North Carolina Endorsement **DP 32 18**.

(3) Declarations Instructions

Enter, on the policy Declarations, the deductible amounts that apply to Named Storm and All Other Perils. For example: \$1,000 for Named Storm and \$500 for All Other Perils.

(4) Deductible Application

In the event of a Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

(5) Coverage Options

The deductible factors for Coverage **A, B, D** or **E** and Coverage Options For Buildings And Non-building Structures differ by the deductible amounts that apply to Named Storm and to other perils and the Coverage **A, B, D** or **E** limit.

The deductible factors for Coverage **C** and Other Personal Property Coverage Options differ by the deductible amounts that apply to Named Storm and to other perils.

(6) Use Of Factors

The factors displayed in Paragraph **(7)** incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Named Storm deductible.

(7) Deductible Factors

When the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA – Territories 110, 120, 130, 140, 150 and 160), additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 110, 120, 130, 140, 150 and 160 Only, by the Key Factor, for the same amount of insurance used to determine the Extended Coverage, Broad or Special Form Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired named storm deductible option from the following table and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Extended Coverage, Broad or Special Form Base Premium. The result is the named storm deductible credit.

Step 5. Compare the results in Steps 2. and 4. If the result in:

Step 2. is **less** than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Extended Coverage, Broad or Special Form Base Premium.

Step 2. is **greater than or equal to** the result in Step 4., multiply the Extended Coverage, Broad or Special Form Base Premium by the factor for the desired named storm deductible option.

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Named Storm Deductible Fixed-dollar Amounts	All Other Perils Deductible Amounts	Coverage A, B , D Or E Limit (Expressed In \$)			
		Up To 125,000	125,001 To 175,000	175,001 To 250,000	250,001 And Above
\$ 1,000	\$ 100	0.943	0.963	0.973	0.985
	250	0.942	0.962	0.972	0.984
	500	0.939	0.960	0.970	0.983
2,000	100	0.853	0.899	0.923	0.957
	250	0.852	0.897	0.922	0.956
	500	0.849	0.895	0.920	0.955
	1,000	0.845	0.892	0.917	0.953
5,000	100	0.692	0.764	0.812	0.891
	250	0.690	0.763	0.811	0.890
	500	0.687	0.761	0.810	0.889
	1,000	0.683	0.757	0.807	0.887
	2,500	0.674	0.750	0.800	0.881
7,500	100	0.614	0.689	0.745	0.847
	250	0.613	0.687	0.744	0.846
	500	0.610	0.686	0.743	0.845
	1,000	0.606	0.682	0.740	0.842
	2,500	0.597	0.674	0.733	0.837
	5,000	0.587	0.665	0.724	0.830
10,000	100	0.565	0.631	0.692	0.809
	250	0.563	0.630	0.691	0.809
	500	0.561	0.628	0.690	0.807
	1,000	0.557	0.625	0.687	0.805
	2,500	0.548	0.617	0.680	0.799
	5,000	0.538	0.608	0.671	0.792
	7,500	0.533	0.602	0.666	0.787

Table 406.B.3.b.(7)#1 Coverage A, B, D Or E Named Storm Higher Fixed-dollar Deductibles

Territories 110, 120, 130, 140, 150 and 160 (Beach & Coastal)							
Coverage C And Other Personal Property Coverage Options*							
Named Storm Deductible Fixed-dollar Amounts	All Other Perils Deductible Amounts (Expressed In \$)						
	100	250	500	1,000	2,500	5,000	7,500
\$ 1,000	0.979	0.978	0.976	–	–	–	–
2,000	0.940	0.939	0.937	0.934	–	–	–
5,000	0.853	0.852	0.850	0.848	0.841	–	–
7,500	0.800	0.799	0.797	0.794	0.788	0.780	–
10,000	0.757	0.756	0.754	0.752	0.745	0.737	0.732

* Only use when policy also covers building or non-building structures.

Table 406.B.3.b.(7)#2 Coverage C And Other Personal Property Named Storm Higher Fixed-dollar Deductibles

RULE 502.
COVERAGE D – FAIR RENTAL VALUE COVERAGE E – ADDITIONAL LIVING EXPENSE

Paragraph A.. is replaced by the following:

A. Introduction

Coverage is automatically provided in the forms on a limited basis as follows:

1. Form DP 00 01

a. Coverage D

Up to 10% of the Coverage **A** limit is available. Use of this option reduces the Coverage **A** limit for the same loss. No entry is needed in the policy Declarations for this coverage to apply.

b. Coverage E

Not automatically included in form. It may be added as noted in Paragraph **B**.

2. Form DP 00 02 Or DP 00 03

Coverage **D** and **E** combined – Up to 10% of the Coverage **A** limit is available for Coverage **D** and Coverage **E** combined as additional insurance. No entry is needed in the policy Declarations for this coverage to apply.

Table 502.B.1.c. is replaced by the following:

DP 00 01 Example

<u>Factors</u>	
<u>\$5,200</u>	<u>= Rental Value Coverage in Form (10% of Coverage A limit of \$52,000)</u>
<u>+2,000</u>	<u>= Additional Insurance (Shown under Coverage D in policy Declarations)</u>
<u>\$7,200</u>	<u>= Total Rental Value Amount Insured</u>
<u>Scenario A</u>	
<u>If dwelling is rented for entire year, then fraction = 1/12.</u>	
<u>\$7,200 X 1/12 = Up to \$600- available each month.</u>	
<u>Scenario B</u>	
<u>If dwelling is rented 8 months per year, then fraction = 1/8.</u>	
<u>\$7,200 X 1/8 = Up to \$900 available each month.</u>	

Table 502.B.1.c. DP 00 01 Example

503. ORDINANCE OR LAW COVERAGE FOR COVERAGE B – SPECIFIC STRUCTURES, BUILDING ITEMS AND IMPROVEMENTS, ALTERATIONS AND ADDITIONS

Paragraph **C.2.** is replaced by the following:

C. Premium Determination

- 2. Refer to the state company rates/ISO loss costs Rule 500. Miscellaneous Rates.**

RULE 513.
WATER BACK UP AND SUMP OVERFLOW

Rule **513.** does not apply.

RULE 513.
LIMITED WATER BACK-UP AND SUMP DISCHARGE OR
OVERFLOW COVERAGE

C. Premium Computation

Charge per location is:

<u>Limit</u>	<u>Rate</u>
\$ <u>5,000</u>	\$ <u>8.00</u>
<u>10,000</u>	<u>15.00</u>
<u>15,000</u>	<u>19.00</u>
<u>20,000</u>	<u>23.00</u>
<u>25,000</u>	<u>25.00</u>

Table 513.C.(R) Premium Computation

RULE 514.
ASSISTED LIVING CARE

C. Premium

For Basic Limits, the rate per unit is \$55.38.

For increased Coverage **C** Limit, the rate per \$1,000 is \$6.38.