

McClelland and Hine, Inc

MANAGING GENERAL AGENTS, EXCESS AND SURPLUS LINES BROKERS



Personal Lines Guidelines

Effective 10/1/2016

THESE ARE GUIDELINES ONLY AND ARE SUBJECT TO CHANGE OR WITHDRAWAL WITHOUT PRIOR NOTIFICATION. FINAL DETERMINATION REGARDING ACCEPTANCE OR REJECTION OF ANY RISK IS AT THE SOLE DISCRETION OF MCCLELLAND AND HINE, INC.

Personal Lines General Guidelines



Minimum Earned Premium/Cancellation

- ▶ Minimum earned premium (MEP) is 25%
- ▶ Policy fees and inspection fees are fully earned at policy inception and not subject to adjustment on cancellation
- ▶ Flat cancellations are not allowed



Wind/Hurricane/Hail Coverage

▶ Wind coverage is not available in these Texas counties...

❖ Aransas

❖ Brazoria

❖ Calhoun

❖ Cameron

❖ Chambers

❖ Galveston

❖ Jefferson

❖ Kenedy

❖ Kleberg

❖ Matagorda

❖ Nueces

❖ Refugio

❖ San Patricio

❖ Willacy



Deductibles

- ▶ Personal lines AOP deductibles are typically 1% of dwelling value, subject to a specified minimum amount.
- ▶ Wind deductibles vary from 1% to 3% depending on the area of the state. :
 - ▶ Harris County – 2% or 3%
 - ▶ Dallas/Denton/Collin/Tarrant Counties – 1%
 - ▶ Hidalgo County – 2%
 - ▶ Tier 2 Counties (except Hidalgo and Harris) – 1%
 - ▶ Rest of State – 1% in most areas




Building Age

General building age guidelines below indicate maximum age of dwelling we will consider where all major systems have been updated (see the “Roof Ages and Updates” and “Building Updates” sections following this page)..

TDP ₁	TDP ₂	TDP ₃	DP ₃	HO ₂	HO ₃	HO ₅	HO ₆
85 yrs	85 yrs	60 yrs	50 yrs	85 yrs except 75 yrs if RC on dwelling	60 yrs	50 yrs	60 yrs

Exceptions can be made in unique situations and we want to write your business. Contact your underwriter with questions.



Roof Ages and Updates

- ▶ Coverage for composition shingle roofs is generally available as follows:
 - ▶ 0-15 YR ROOF AGE – replacement cost valuation
 - ▶ 16-25 YR ROOF AGE – actual cash value valuation
 - ▶ 26+ YRS ROOF AGE – roof will be excluded
- ▶ Exceptions can be made for roofs constructed of other materials, such as metal, ceramic tile or slate



Building Updates

- ▶ For a building to be considered "fully updated", all the utility systems and the roof must have been replaced within the last twenty-five (25) years or certified within the last five (5) years. This means the following:
 - ▶ **ROOF** - the entire roof covering has been replaced by a licensed contractor within the last 25 years; or the roof has been inspected and certified by a licensed contractor within the last 5 years
 - ▶ **PLUMBING** - the plumbing system (including piping and connections) has been replaced within the last 25 years and meets current building code requirements; or the plumbing system has been inspected and certified by a licensed contractor within the last 5 years.



Building Updates - Continued

- ▶ **ELECTRICAL** - the electrical system is circuit breaker protected, all wiring is copper encased in rigid conduit and has been replaced within the last 25 years, and the electrical system meets current building code requirements; or the electrical system has been inspected and certified by a licensed contractor within the last 5 years.
- ▶ **HVAC** - the heating, ventilation and air conditioning (HVAC) systems (including piping and duct work) have been replaced within the last 25 years and meet current building code requirements; or the HVAC systems have been inspected and certified by a licensed contractor within the last 5 years.



Risks Requiring Additional Information

- ▶ **Log Cabins and some PC 9-10 risks**
 - Please provide details regarding responding fire departments and water source and availability.
- ▶ **Risks with losses in the last 3 years**
 - Please provide details of each loss including amounts paid and reserved and the current status of the claim (is it open or closed).
- ▶ **Homeowners risks not occupied by the applicant**
 - These risks can be written under the ISO homeowners form but the form must be modified by endorsement. Please provide details regarding who owns the home, who lives in the home, and the relationship between all parties.
- ▶ **Homeowners risks where the home is in the name of a trust**
 - Homes held in the name of a trust can be written so long as the occupant of the home is either a trustee or a beneficiary of the trust. Please confirm that the occupant is either a trustee or a beneficiary, otherwise the risk will not be eligible for homeowners coverage.



Risks We Can't Write

There are a few types of risks that will not fit in any of our personal lines programs.

- ▶ Wind coverage on risks located in first tier counties
- ▶ Mobile Homes, Modular Homes, Prefab Homes, RV's, Tiny Houses, and other houses on wheels
- ▶ Houses over 4 stories
- ▶ Houses with wood shingle roofs (also known as wood shake or cedar shake roofs)
- ▶ Named insureds who are not US citizens with social security numbers, unless there is a mortgage in place with a domestic mortgage company
- ▶ Homeowners risks where home is in the name of a corporation (except these are allowed in the HVH* program)
- ▶ Dwelling Fire risks on TDP3 form where risk is not occupied by the owner or a blood relative

*PLEASE NOTE: the "HVH" program refers to our High Value Homeowners Program.



DWELLING Causes of Loss (Perils Insured Against)*

TDP ₁	TDP ₂	TDP ₃	DP ₃ **	HO ₂	HO ₃	HO ₅ **	HO ₆	Coverages Provided
X	X	X	X	X	X	X	X	Fire & Lightning, Smoke Damage, Explosion, Aircraft and Vehicles, VMM, Riot & Civil Commotion, Wind***
	X	X	X	X	X	X	X	Falling Objects, Freezing, Accidental Discharge of Water, Breakage of Bldg Glass, Collapse
		X	X	X	X	X	X	Theft
			X	X	X	X	X	Weight of Ice/Snow/Sleet, Sudden Damage from Electrical Current, Volcanic Eruption
			X		X		X	AOP (All other perils not excluded)
						X		All perils not excluded

*This is not intended to be an exhaustive list. Refer to each of the coverage forms for a complete list of covered perils and exclusions.

**Forms DP3 and HO5 are available only in the HVH program.

***Wind coverage may be excluded by endorsement.



PERSONAL PROPERTY Causes of Loss (Perils Insured Against)*

TDP ₁	TDP ₂	TDP ₃	DP ₃ **	HO ₂	HO ₃	HO ₄	HO ₅ **	HO ₆	Coverages Provided
X	X	X	X	X	X	X	X	X	Fire & Lightning, Smoke Damage, Explosion, Aircraft and Vehicles, VMM, Riot & Civil Commotion, Wind***
	X	X	X	X	X	X	X	X	Falling Objects, Freezing, Accidental Discharge of Water, Collapse
				X	X	X	X	X	Theft
			X	X	X	X	X	X	Weight of Ice/Snow/Sleet, Sudden Damage from Electrical Current, Volcanic Eruption
							X		All perils not excluded

*This is not intended to be an exhaustive list. Refer to each of the coverage forms for a complete list of covered perils and exclusions.

**Forms DP3 and HO5 are available only in the HVH program.

***Wind coverage may be excluded by endorsement.



Homeowners Guidelines

COVERAGE FORM	Minimum Dwelling Limit**	Valuation*		Liability Limits	Med Pay Limits
		Dwelling	Pers Prop		
HO2 Broad Form (Similar to HOA)	\$25,000	ACV	ACV	Liability limits are available to \$1Mil but not all limits are available with all carriers. Contact your underwriter for more information.	Med Pay limits are available to \$5,000 except the HO5 offers limits to \$25,000.
HO3 Special Form (Similar to HOB)	\$40,000	RC	ACV		
HO4 Contents Broad Form (Similar to HOBT)	N/A	N/A	ACV		
HO5 Comprehensive Form (Similar to HOC) This form is available only on our HVH Program	\$250,000	RC	ACV		
HO6 Unit Owners Broad Form (Similar to HOBCON)	\$0 (Not required)	ACV	ACV		

*Replacement cost valuation is available on qualifying risks for both dwelling and personal property types on all coverage forms.

**The max TIV that can be quoted in our online rater is \$600,000, but we have capacity available up to \$5mil TIV in tier 2 and \$15mil TIV in the rest of the state.

TIV = TOTAL INSURED VALUE. For homeowners policies, the TIV is the sum of the dwelling, personal property, other structures and loss of use limits.

Dwelling Fire Guidelines

COVERAGE FORM	Minimum Dwelling Limit*	Valuation		Liability Limits	Med Pay Limits
		Dwelling	Pers Prop		
TDP1	\$25,000	ACV	ACV	Not available on TDP forms.	Not available on TDP forms.
TDP2	\$40,000	ACV	ACV		
TDP3	\$40,000	RC	ACV Optional RC		
DP3 <i>(Available only on HVH Program)</i>	\$250,000	RC	ACV	Available up to \$1Mil	Available up to \$25,000

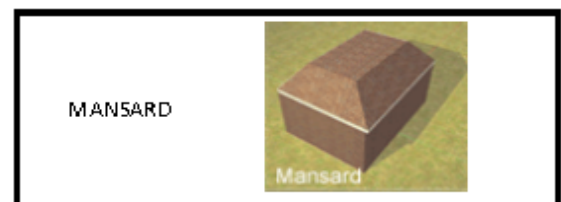
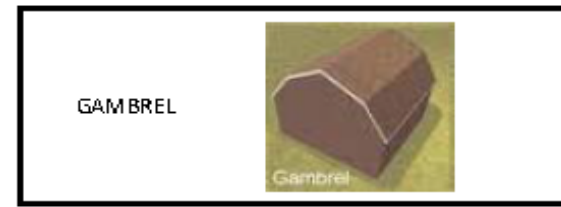
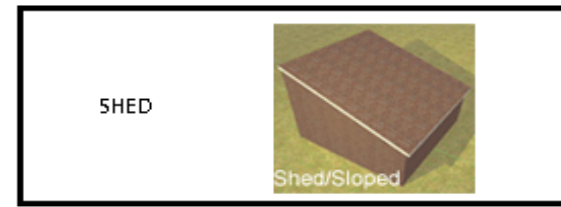
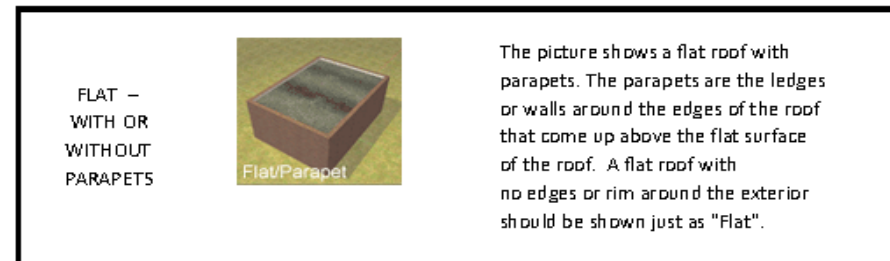
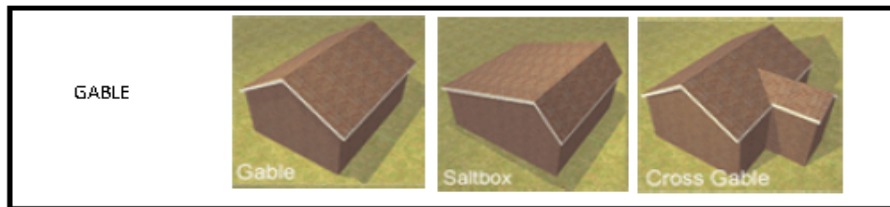
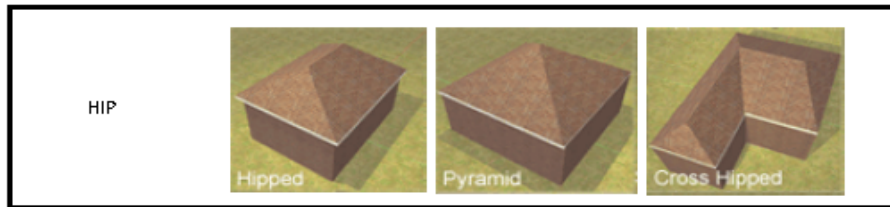
*The max TIV that can be quoted in our online rater is \$600,000, but we have capacity available up to \$5mil TIV in tier 2 and \$15mil TIV in the rest of the state.

TIV = TOTAL INSURED VALUE. For dwelling fire policies, the TIV is the sum of the dwelling, personal property, and loss of use limits.



Other Information

▶ Roof Shapes

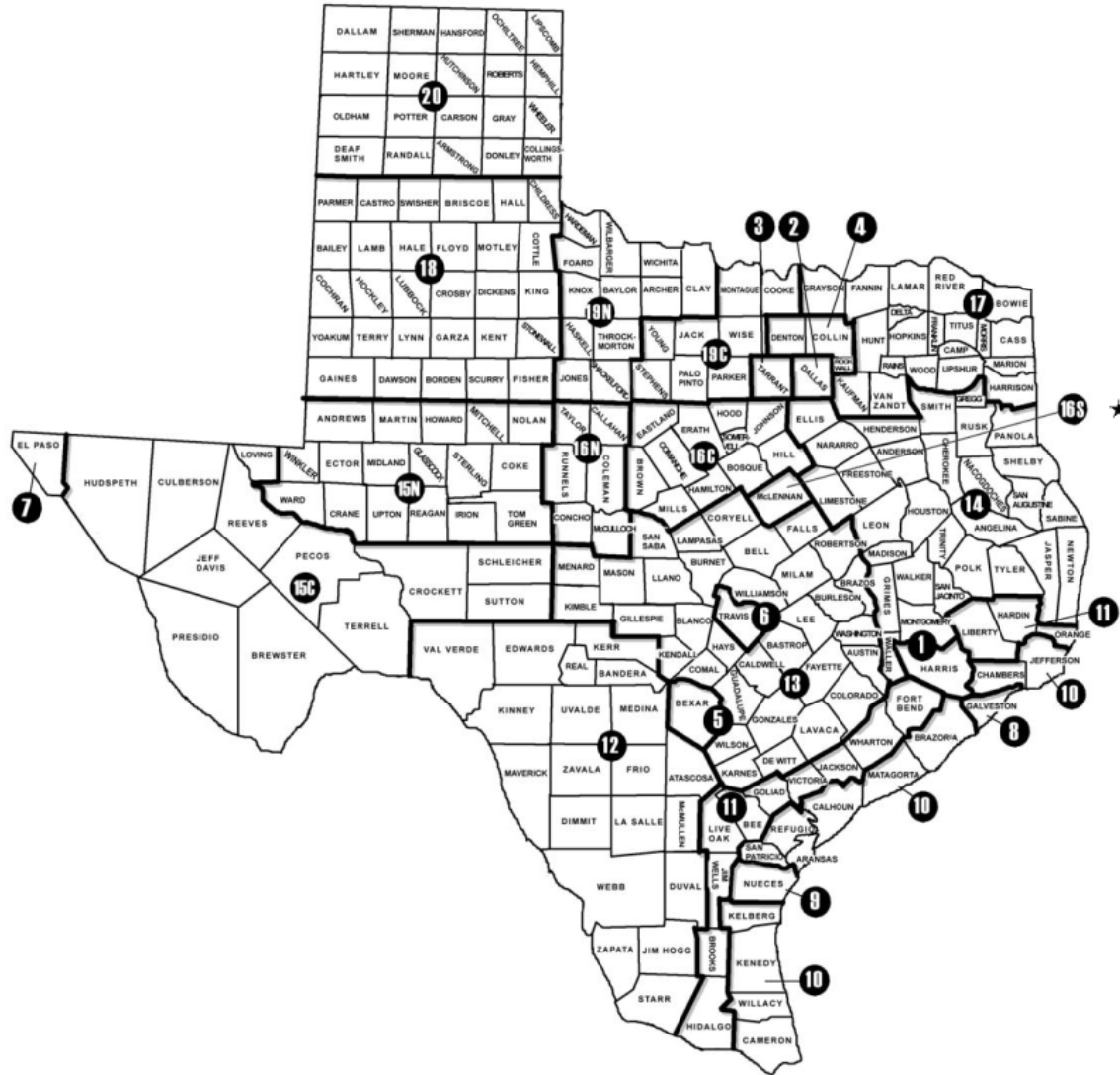


Other Information - Continued

▶ Texas Property Rating Territories

County Name	EC Territory												
Anderson	14	Clay	19N	Foard	19N	Hutchinson	20	Martin	15N	Reeves	15C	Van Zandt	17
Andrews	15N	Cochran	18	Fort Bend	11	Irion	15N	Mason	13	Refugio	10	Victoria	11
Angelina	14	Coke	15N	Franklin	17	Jack	19C	Matagorda	10	Roberts	20	Walker	14
Aransas	10	Coleman	16N	Freestone	14	Jackson	11	Maverick	12	Robertson	13	Waller	14
Archer	19N	Collin	4	Frio	12	Jasper	14	McCulloch	16N	Rockwall	4	Ward	15N
Armstrong	20	Collingsworth	20	Gaines	18	Jeff Davis	15C	McLennan	16S	Runnels	16N	Washington	13
Atascosa	12	Colorado	13	Galveston	8	Jefferson	10	McMullen	12	Rusk	14	Webb	12
Austin	13	Comal	13	Garza	18	Jim Hogg	12	Medina	12	Sabine	14	Wharton	11
Bailey	18	Comanche	16C	Gillespie	13	Jim Wells	11	Menard	13	San Augustine	14	Wheeler	20
Bandera	12	Concho	16N	Glasscock	15N	Johnson	16C	Midland	15N	San Jacinto	14	Wichita	19N
Bastrop	13	Cooke	19C	Goliad	11	Jones	19N	Milam	13	San Patricio	10	Wilbarger	19N
Baylor	19N	Coryell	13	Gonzales	13	Karnes	13	Mills	16C	San Saba	13	Willacy	10
Bee	11	Cottle	18	Gray	20	Kaufman	17	Mitchell	15N	Schleicher	15C	Williamson	13
Bell	13	Crane	15N	Grayson	17	Kendall	13	Montague	19C	Scurry	18	Wilson	13
Bexar	5	Crockett	15C	Gregg	14	Kenedy	10	Montgomery	14	Shackelford	19N	Winkler	15N
Blanco	13	Crosby	18	Grimes	14	Kent	18	Moore	20	Shelby	14	Wise	19C
Borden	18	Culberson	15C	Guadalupe	13	Kerr	12	Morris	17	Sherman	20	Wood	17
Bosque	16C	Dallam	20	Hale	18	Kimble	13	Motley	18	Smith	14	Yoakum	18
Bowie	17	Dallas	2	Hall	18	King	18	Nacogdoches	14	Somervell	16C	Young	19C
Brazoria	10	Dawson	18	Hamilton	16C	Kinney	12	Navarro	14	Starr	12	Zapata	12
Brazos	13	De Witt	13	Hansford	20	Kleberg	10	Newton	14	Stephens	19C	Zavala	12
Brewster	15C	Deaf Smith	20	Hardeman	19N	Knox	19N	Nolan	15N	Sterling	15N		
Briscoe	18	Delta	17	Hardin	11	La Salle	12	Nueces	9	Stonewall	18		
Brooks	11	Denton	4	Harris	1	Lamar	17	Ochiltree	20	Sutton	15C		
Brown	16C	Dickens	18	Harrison	17	Lamb	18	Oldham	20	Swisher	18		
Burleson	13	Dimmit	12	Hartley	20	Lampasas	13	Orange	11	Tarrant	3		
Burnet	13	Donley	20	Haskell	19N	Lavaca	13	Palo Pinto	19C	Taylor	16N		
Caldwell	13	Duval	12	Hays	13	Lee	13	Panola	14	Terrell	15C		
Calhoun	10	Eastland	16C	Hemphill	20	Leon	14	Parker	19C	Terry	18		
Callahan	16N	Ector	15N	Henderson	14	Liberty	11	Parmer	18	Throckmorton	19N		
Cameron	10	Edwards	12	Hidalgo	11	Limestone	14	Pecos	15C	Titus	17		
Camp	17	El Paso	7	Hill	16C	Lipscomb	20	Polk	14	Tom Green	15N		
Carson	20	Ellis	14	Hockley	18	Live Oak	11	Potter	20	Travis	6		
Cass	17	Erath	16C	Hood	16C	Llano	13	Presidio	15C	Trinity	14		
Castro	18	Falls	13	Hopkins	17	Loving	15C	Rains	17	Tyler	14		
Chambers	10	Fannin	17	Houston	14	Lubbock	18	Randall	20	Upshur	17		
Cherokee	14	Fayette	13	Howard	15N	Lynn	18	Reagan	15N	Upton	15N		
Childress	18	Fisher	18	Hudspeth	15C	Madison	14	Real	12	Uvalde	12		
		Floyd	18	Hunt	17	Marion	17	Red River	17	Val Verde	12		

Other Information – Continued



FIRST TIER

ARANSAS
 BRAZORIA
 CALHOUN
 CAMERON
 CHAMBERS
 GALVESTON
 JEFFERSON
 KENEDY
 KLEBERG
 MATAGORDA
 NUECES
 REFUGIO
 SAN PATRICIO
 WILLACY

SECOND TIER

BEE
 BROOKS
 FORT BEND
 GOLIAD
 HARDIN
 HARRIS
 HIDALGO
 JACKSON
 JIM WELLS
 LIBERTY
 LIVE OAK
 ORANGE
 VICTORIA
 WHARTON