

# California Secondary Residence Insurance Program

POLICY FORMS DP-1 & DP-3

AEGIS GENERAL INSURANCE AGENCY

# California Secondary Residence Insurance Program

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# 1. Policy Forms and Primary Coverage Limits

DESCRIPTION	POLICY FORM	PRIMARY COVERAGE	MINIMUM	MAXIMUM
BASIC DWELLING FIRE	DP-1	A (Dwelling)	\$50,000	\$750,000
BROAD DWELLING FIRE	DP-3	A (Dwelling)	\$50,000	\$800,000*

\*\$875,000 for renewal business

## 2. Eligibility

A residential dwelling with one to four units used principally for private residential purposes. The dwelling can be titled in the name of the named insured, a trust owned/controlled by the named insured or in the name of a corporation, association, business, church or non-profit organization. However, if the dwelling is titled in the name of a corporation, association, business, church or non-profit organization, then the "Corporate Owned Property Surcharge" must be applied. The dwelling can be owner occupied, vacant, seasonally occupied or rented to only one tenant/family per unit. Each unit must be individually and uniquely identified on the premises. Units that are sometimes rented through home sharing businesses or as a vacation rental are acceptable but must be written with an occupancy type of "Vacation Rental". Vacation Rental occupancy can be added to an existing policy at any time but can only be removed at renewal.

Owner occupied policies are where the owner resides full-time in the dwelling being insured as a primary residence and, in the case of a multi-unit dwelling, no other unit within the dwelling is occupied. Tenant occupied policies are where at least one dwelling or unit within a dwelling is occupied as a residence premises by a tenant of the named insured.

For tenant occupied policies, a maximum of three dwellings may be insured on one policy, provided no dwellings are entirely vacant.

Subletting of any property or unit is not allowed.

### 3. Policy Term

Policies will be written for a maximum 12-month term only. An initial term less than 12-months can only be written to ensure that the policy expiration date coincides with the expiration date of another insurance policy held by the named insured. If the initial term is less than 12-months, the premium (not the fees) will be prorated. The minimum initial policy term is 6 months. Any minimum premium applicable to this program still applies.

Direct bill premium invoicing is available. An \$8 service fee is added to all installment payments, but not the initial down payment. The service fee is \$5 if installments are paid electronically using automatic payments.

## 4. Other Insurance

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the policy issued pursuant to this program. For example, flood insurance is permitted.

## 5. Application and Binding

All application questions must be fully completed by the producer and the applicant. After the policy has been bound and a policy number has been issued, the application must be signed by both the producer and the applicant. The application and any supporting documentation must be maintained by the producer and is subject to current submission procedures. The Aegis electronic application must be used for all new business. Please contact customer service with any questions.



## 6. Inspections, Policy Fees and Minimum Premiums

### A. Inspection Schedule

An inspection is performed on all new and renewal policies.

### B. Policy and Inspection Fees

There is a \$25 policy fee charged for each new and renewal policy. In addition, when an inspection is performed, there is a \$40 inspection fee charged. For tenant occupied policies with more than one insured dwelling on the policy, the \$40 inspection fee is charged on each dwelling. All fees are fully earned and non-refundable. Please understand that binding or submitting a policy triggers hard costs to the company. It is important to adhere to all underwriting rules. Please also be sure to inform your client when an inspection will occur.

### C. Minimum Premiums

The minimum written premium, not including fees, is:

1. DP-1 policy:           \$250
2. DP-3 policy:           \$250

## 7. Catastrophe Management and Capacity Restrictions

### A. Catastrophe Management

In order to effectively manage large-scale events and protect all policyholders, the company may from time to time establish restrictions on binding authority, solely at the company's discretion. When binding authority is restricted, no applications for new policies will be accepted. In addition, requests to change coverage to existing policies in the restricted area that have the effect of increasing the company's exposure will not be allowed. Such restrictions will not impact normal policy renewals.

These restrictions are triggered automatically whenever an earthquake registering 5.0 or greater in magnitude on the Richter scale occurs and impacts all business within 150 miles of the epicenter of the earthquake for 30 days or until such time as the restrictions are lifted by the company. Additionally, these restrictions exist anytime a risk may reasonably be impacted by a proximate event, such as a flood, wildfire or other catastrophic event, whether natural or man-made.

Please be mindful of restrictions when submitting business or requesting changes to existing policies. Aegis will make every attempt to provide timely updates on the company's website as events unfold that trigger restrictions.

### B. Capacity Restrictions

The Company may establish temporary and/or permanent restrictions on the issuance of policies to properly manage geographic concentration levels and overall portfolio exposure. Territories are defined by zip code, and no one zip code can have more than 1.0 percent of the total insured value (TIV) for the property portfolio covering the peril of fire (or up to a maximum of \$50M by zip code). Additionally, any 1/2-mile radius area will be restricted to a maximum of \$50M in TIV.

## 8. Perils Insured – Section I

Below is a brief description of the losses insured. Please refer to the policy for a complete description.

### A. Basic Dwelling Policy (DP-1)

The DP-1 policy provides coverage on a Named Perils basis for Coverages A, B and C, with certain limitations and exclusions. The Named Perils are:

1. Fire or Lightning
2. Windstorm or Hail
3. Explosion
4. Riot or Civil Commotion
5. Aircraft, including self-propelled missiles and spacecraft
6. Vehicles
7. Smoke
8. Volcanic Eruption
9. Vandalism or Malicious Mischief (for additional premium)

### B. Broad Dwelling Policy (DP-3)

The DP-3 policy provides coverage on an Open Perils basis, unless excluded, for Coverages A and B. Coverage C is provided on a Named Perils basis, with certain limitations and exclusions. The Named Perils are:

1. Fire or Lightning
2. Windstorm or Hail
3. Explosion
4. Riot or Civil Commotion
5. Aircraft, including self-propelled missiles and spacecraft
6. Vehicles
7. Smoke
8. Vandalism or Malicious Mischief
9. Damage by Burglars
10. Falling Objects
11. Weight of Ice, Snow or Sleet
12. Accidental Discharge or Overflow of Water or Steam
13. Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
14. Freezing
15. Sudden and Accidental Damage from Artificially Generated Electrical Current
16. Volcanic Eruption

## 9. Loss Settlement Provisions

A. Basic Dwelling Policy (DP-1)

Covered property losses are settled on an Actual Cash Value (ACV) basis at the time of loss, but not more than the amount required to repair or replace the damaged property. Please check your policy for details.

B. Broad Dwelling Policy (DP-3)

Property covered under Coverages A or B are settled on a limited replacement cost basis. An 80% co-insurance requirement exists and optional Extended Replacement Cost Coverage can be purchased for an additional charge. Personal property covered under Coverage C, awnings, structures that are not buildings and the roof are settled on an Actual Cash Value (ACV) basis.

C. Liability Coverage (when purchased)

Neither the DP-1 nor the DP-3 policies include optional liability coverage. Rather, this coverage can be purchased and added to the policy. Please note that, when optional liability coverage is purchased, losses under this portion of the policy contain various limitations and exclusions, most of which are generally customary within the residential property insurance industry. In addition, the Aegis policy form does not provide liability coverage for losses arising from the use of a trampoline or from the use of a pool slide, diving board or similar structure (coverage is excluded via mandatory endorsements). In addition, the limited animal liability endorsement excludes liability coverage for losses stemming from any of the following animals:

- Pit Bull, Doberman Pincer, Rottweiler, German Shepherd, Chow, Akita, Husky, Malamute, Mastiff, Stafford Shire Terrier (including mixed breed with include any of the above); or
- Any dog known by breed to be vicious or any risk where a previous bite history exists; or
- Farm animals, exotic or unusual pets, including but not limited to horses, cows, sheep, goats, chickens, snakes, etc.

The above is not a complete exhaustive list of coverage limitations. Please read the policy and all endorsements carefully.

## 10. Unacceptable Risks

### A. Unacceptable Locations

1. The dwelling cannot be located in any of the following:
  - (a) At a residence premises with a wildfire score greater than 0Y;
  - (b) Within 500 feet of brush; or
  - (c) Within a State or National Forest.
2. Risks that are not accessible by emergency equipment on the ground.
3. Risks located in any area of increased flood, wave wash, sinkhole, mudslide, or similar peril.
4. A risk location that is not acceptable at the time of new policy issuance or renewal in accordance with the Catastrophe Management and Capacity Restrictions rules of this program.

### B. Unacceptable Properties

1. Properties with more than one (1) dwelling or more than four (4) units in any one dwelling, not counting unattached garages, barns or storage sheds. For tenant occupied policies, properties with up to three (3) dwellings are acceptable.
2. Properties not showing pride of ownership, including the residential structure.
3. Properties with a swimming pool, hot tub, spa or similar structure not well maintained and completely fenced and fully complying with all local county or city regulations. Pools that are drained in the winter due to the risk being located in a cold climate but meet all other requirements are acceptable.
  - (a) Swimming pool slides, diving boards and similar structures are permitted but no liability coverage for them is afforded.
4. Properties with abandoned non-operational vehicles used or where company vehicles are being stored.
5. Properties with discarded appliances that are not in use.
6. Properties with business operations performed on premises where there is increased liability exposure due to foot traffic (customers, clients, etc.) The company won't outright decline a risk where the applicant works from home unless there is an increase in liability exposure.
7. Properties with barns, ranching or farming equipment valued over \$20,000 on premises.
8. Properties with detached other structures or outbuildings that exceed 1,200 square feet of ground floor area.
9. Properties with a fence, gate or portion thereof in disrepair.
10. Properties owned by a well-known personality that increases the exposure.

C. Unacceptable Dwellings

1. Any dwelling not specifically constructed to be a family residence.
2. Manufactured or mobile homes.
3. Dwellings built prior to 1900.
4. Dwellings undergoing extensive repair or remodeling that effects habitability.
5. Dwellings of unusual, unique or cantilevered construction.
6. Dwellings with unrepaired damage (including earthquake damage), open or pending claims, or with any known potential defects, claims disputes, property disputes or lawsuits.
7. Dwellings not insured to 100% of estimated Replacement Cost (though this calculation can be adjusted to an ACV basis for DP-1 policies).
8. Please note a 3% annual inflationary adjustment will automatically be included at each policy renewal for DP-3 policies.
9. Dwellings without deadbolts on all doors that provide direct access to the dwelling and/or garage.
10. Dwellings within 100 feet of a slope of 30 degrees or greater.
11. Dwellings built on stilts, posts or piers or without a permanent stable foundation. Buildings on post and pier foundations that create a small crawl space under the dwelling are acceptable. All foundations must be fully enclosed.
12. Any roof system type not listed in Section 16, Roofs. The policy declarations will note whether replacement cost loss settlement for the roofing system, actual cash value loss settlement for the roofing system, or roofing system coverage limited to the perils of fire and lightning only is applied to the policy. The coverage level will be determined based on roof age, roof type and roof condition as described in Section 16 (Roofs) of this manual.
13. Dwellings with trees overhanging roof, deemed by the company to present a hazard.
14. Dwellings without a working fire extinguisher on premises and functional smoke detector installed.
15. Dwellings without any utility service.
16. Dwellings with any portion of power provided through a fuse (circuit breakers are required).
17. Dwellings without all power provided through copper wiring (aluminum wiring and knob and tube wiring are unacceptable).
18. Dwellings with a primary heat supply that is not permanently installed and controlled by a thermostat. Wood, pellet, coal or kerosene stoves that are used as a secondary source of heat are acceptable and surcharged.
19. Dwellings without all pressurized plumbing constructed entirely of copper, galvanized steel, polyvinyl chloride (PVC or C-PVC), or cross-linked polyethylene (PEX) with an appropriate size manifold. Dwelling with any portion of pressurized plumbing constructed of any other material, such as but not limited to polybutylene (PB) are unacceptable. This rule does not apply to drainage or exterior landscape irrigation systems.
20. Dwellings that are not of sound structure or not maintained in an insurable condition showing pride of ownership.

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21. Dwellings and other structures that do not have a defensible space around the structures that clears vegetation other than irrigated and maintained landscaping a minimum of 100 feet from the structures or to the property line, whichever is less.

### D. Unacceptable Risks

1. Primary or tenant occupied risks that are not occupied within 30 days of the policy effective date. No transient risks.
2. Risks with any illegal activity performed on premises.
3. Risks occupied as rooming houses, fraternities, sororities, student housing or other similar types of occupancies.
4. Risks where space is rented to others for any commercial activity.
5. Risks with more than two (2) paid losses in the last 60 months or more than one (1) paid loss involving non-weather water damage, fire (including smoke), vandalism or theft in the last 60 months.
6. Risks with repetitive similar cause losses.
7. Risks with an individual or private party as the first or primary lender, or with more than two (2) mortgagees or lenders on any one property.
8. Applicants presently undergoing any foreclosure proceedings.
9. Any property with a tenant in possession adverse to owner.
10. Risks without legal title to the land upon which the insured dwelling is located.
11. Commercial risks.
12. Properties with any hazard or exposure that increases the chance of injury or illness to others. Examples would include (but not be limited to) severe cracks in the driveway, open trenches in the front yard, a steep stairway without handrails, a large active beehive on the property, or a mosquito infested pool/spa caused by unmaintained stagnant water.
13. Risks where the policyholder's insurance producer has been terminated by Aegis.
14. Risks recently purchased through foreclosure or bankruptcy proceedings (within 6 months of the requested policy effective date), unless the policy deductible is doubled for the first 90 days of the policy, subject to a \$2,000 minimum.
15. Risks with more than two related individuals on the deed of trust, unless a satisfactory explanation is provided with the application.
16. Any risk with more than eight (8) individuals residing in any one unit on the insured location.
17. Risks where the primary structure has suffered a total loss due to a declared disaster are eligible for two (2) annual renewals regardless of the state of rebuilding of the primary structure, unless the total loss was also due to the negligence of the insured or additional loss or losses have occurred subsequent to the total loss that relate to the physical or risk changes to the insured property that result in the property becoming uninsurable.

## 11. Coverage Options

Unless otherwise specified charges and credits are applied to the Basic Premium. See the premium computation section to determine the Basic Premium.

### A. Dwelling

Coverage A (Dwelling) is the primary coverage for dwelling fire policies and must be at 100% of the estimated replacement cost of the insured dwelling, rounded to the next \$1,000 increment at policy inception, though this calculation can be adjusted to an Actual Cash Value (ACV) basis for DP-1 policies. A 3% annual inflation adjustment is made to the Coverage A limit at each DP-3 policy renewal.

#### 1. Extended Replacement Cost (DP-3 only)

For a charge, the Coverage A limit can be extended to provide an additional 25% of replacement cost coverage, added to the Coverage A limit.

EXTENDED REPLACEMENT COST	CHARGE
<b>25%</b>	5%

ATTACH: Endorsement ASIS-END-M28S, Extended Replacement Cost (25%)

#### 2. Ordinance or Law Coverage (DP-3 only)

Dwelling fire policies (DP-3) include building ordinance or law coverage, meaning the cost of enforcing any building ordinance or law regulating the construction, repair or demolition of a covered structure at a charge of 5% for 10% of the Coverage A limit. The limit can be increased to 15%, 20% or 25% of your Coverage A (Dwelling) limit for a higher charge.

AMOUNT OF COVERAGE A LIMIT	CHARGE
<b>10%</b>	5%
<b>15%</b>	6%
<b>20%</b>	7%
<b>25%</b>	8%

ATTACH: Endorsement ASIS-END-O4D, Ordinance or Law Coverage



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3. Water Backup (DP-3 only)

All policies exclude water that backs up through a sewer or drain. For an additional charge, water backup coverage can be added to DP-3 policies at the limits specified below. Please note that this coverage does not cover sump pumps or water that backs up due to a failed sump pump.

<b>WATER BACKUP LIMIT</b>	<b>CHARGE</b>
\$2,500	\$50
\$5,000	\$85
\$10,000	\$115

ATTACH: Endorsement ASIS-END-O3D, Water Backup Coverage

4. Limited Water Coverage

Coverage for sudden and accidental (i.e.: non-weather related) water losses are excluded in both the DP-1 and DP-3 policy forms. Limited water coverage is included via endorsement. The selected water coverage limit cannot exceed the Coverage A limit on the policy. The following optional water coverage limits are available for the credit noted below. Please note that this limited water coverage does not apply to water backup coverage, which can be purchased separately.

<b>LIMIT</b>	<b>CREDIT</b>
\$10,000	-9.5%
\$25,000	-7.5%
\$50,000	-4.0%
\$100,000 (DWELLINGS 15 YEARS OR NEWER)	-2.0%

ATTACH: Endorsement ASIS-END-O30D, Limited Water Coverage

5. Limited Asbestos and Lead Coverage (DP-3 only)

For a charge of \$25, this endorsement provides up to \$2,000 of the Coverage A limit to be used for coverage for the testing or remediation of asbestos or lead that is necessary to proceed with an otherwise covered loss. The exclusion regarding testing or remediation of asbestos or lead in the absence of a loss that is caused by a Peril Insured Against in the policy remains intact.

REMOVE: Endorsement ASIS-END-M21S, Asbestos and Lead Exclusion

ATTACH: Endorsement ASIS-END-O29S-DP, Limited Asbestos and Lead Coverage for DP-3 Policies

6. Loss Assessment Coverage

Loss assessment coverage can be added up to a limit of \$25,000 at a rate of \$4 per \$1,000.

ATTACH: Endorsement ASIS-END-O27D, Loss Assessment Coverage

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7. **Vandalism and Malicious Mischief Coverage to DP-1 (included with DP-3)**

Vandalism and Malicious Mischief (V&MM) coverage can be added to owner, seasonal, or tenant DP-1 policies at a limit equal to the Coverage A (Dwelling) limit and for a limit of \$50,000 on vacant DP-1 policies. The applicable deductible for V&MM coverage for all policies except primary owner-occupied is the greater of \$5,000 or the policy deductible listed on the Declarations page. The rate for owner, seasonal or tenant occupied risks is \$1.75 per \$1,000 of Coverage A limit. The charge for vacant risks is \$165.

ATTACH: Endorsement ASIS-END-O17D, Vandalism and Malicious Mischief for DP-1 Policies  
 Endorsement ASIS-END-M41S, Vandalism or Malicious Mischief Deductible

**B. Increased Other Structures**

For DP-1 policies, 10% of the Coverage A (Dwelling) limit may be used for Coverage B (Other Structures). This included amount is not additional insurance. Additional Coverage B may also be purchased for DP-1 policies up to 65% of the Coverage A limit. Any additional amount purchased is treated as additional insurance.

For DP-3 policies, Coverage B (Other Structures) is included as additional insurance with a limit equal to 10% of the Coverage A (Dwelling) limit. Additional Coverage B may be purchased up to a total of 75% of the Coverage A limit, subject to a maximum limit of \$400,000. A 3% annual inflation guard adjustment is made to the Coverage B limit at each policy renewal, subject to a maximum limit of \$400,000.

OCCUPANCY	RATE PER \$1,000 OF COVERAGE B LIMIT	
	Wildfire Score 0N to 1Y; 13N to 30Y	Wildfire Score 2N to 12Y
PRIMARY OWNER OR SEASONAL	\$2.75	\$5.00
TENANT, VACATION RENTAL OR VACANT	\$3.25	\$5.75

C. Personal Property

1. Add Coverage C (Personal Property)

Coverage C (Personal Property) is not included with the base premium for either basic (DP-1) or broad (DP-3) dwelling fire policies. Coverage C can be purchased, up to a maximum of 50% of the Coverage A (Dwelling) limit, at a rate of \$2.50 per \$1,000 of limit, subject to a maximum limit of \$400,000. Coverage C (Personal Property) is only available on an Actual Cash Value (ACV) loss settlement basis. For DP-3 policies, a 3% annual inflation adjustment is made to the Coverage C limit at each renewal, subject to a maximum limit of \$400,000.

2. Named Peril of Theft

Theft can be added as a named peril insured against for optional Personal Property coverage (Coverage C). If selected, this coverage must be purchased for 100% of the Coverage C limit, subject to a \$45 minimum charge. The rate for owner occupied risks is \$5.00 per \$1,000 of limit. The rate for tenant, vacation rental and seasonal occupied risks is \$9.00 per \$1,000 of limit. Theft coverage is not available for vacant risks.

ATTACH: Endorsement ASIS-END-O8D-DP, Theft Coverage for Dwelling Fire Policies

D. Fair Rental Value or Additional Living Expenses

All owner, seasonal, vacation rental or tenant occupied policies include coverage for either Fair Rental Value (Coverage D) or Additional Living Expenses (Coverage E) at a limit equal to 10% of the Coverage A (Dwelling) limit. Fair Rental Value applies to tenant occupied and vacation rental risks while Additional Living Expenses applies to owner and seasonal occupied risks.

For a rate of \$3.00 per \$1,000 of additional coverage, either Fair Rental Value (Coverage D) or Additional Living Expenses (Coverage E) can be increased to a maximum of \$30,000 of limit on DP-3 policies only. For DP-3 policies, a 3% annual inflation adjustment is made to the Coverage D or Coverage E limit at each policy renewal, subject to a maximum limit of \$300,000, unless the property is rated as a vacation rental, then the maximum limit is \$30,000.

E. Personal Liability

The basic (DP-1) and broad (DP-3) dwelling fire policies do not provide any liability or medical payments coverage.

1. Personal Liability (Coverage L)

The Coverage L (personal liability) limit can be selected at the following limits at the rate indicated:

LIMIT	SINGLE UNIT	MULTI-UNIT
\$25,000	\$30	\$45
\$50,000	\$45	\$67
\$100,000	\$65	\$98
\$300,000	\$125	\$188
\$500,000	\$175	\$263

- ATTACH: Endorsement ASIS-END-O14D, Comprehensive Personal Liability Coverage
- Attach for owner, tenant, vacation rental and seasonal occupied risks
- Endorsement ASIS-END-O15D, Premises Liability Coverage
- Attach for vacant risks
- Endorsement ASIS-END-M29D, CPL Endorsement (Non-Owner Occupied Dwelling)
- Attach for tenant occupied risks
- Endorsement ASIS-END-M4S, Worker’s Compensation for Residence Employees
- Attach for owner, tenant, vacation rental, seasonal and vacant risks

2. Animal Liability (Owner or Seasonal only)

Animal liability is excluded for all policies. A limited animal liability endorsement can be optionally purchased for owner or seasonally occupied policies. The endorsement excludes coverage for certain breeds of dogs (ex: Pit Bull, Rottweiler, German Shepherd, etc.), any animal with a bite history or known to be vicious, or for farm, exotic or unusual pets (please read the endorsement carefully). The animal liability limit can be increased to the following limits at the rate indicated. Please also note that the animal liability limit cannot exceed the personal liability limit.

LIMIT	RATE
\$10,000	\$15
\$25,000	\$20
\$50,000	\$30

- REMOVE: Endorsement ASIS-END-M31D, Animal Liability Exclusion
- ATTACH: Endorsement ASIS-END-M26S, Limited Animal Liability Coverage

3. Personal Injury Coverage (DP-3 only)

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Personal injury coverage is excluded unless added by endorsement. This coverage can only be purchased if personal liability is selected and must be at the same limit. The coverage is available at the rate indicated:

LIMIT	RATE
\$25,000	\$15
\$50,000	\$20
\$100,000	\$25
\$300,000	\$30
\$500,000	\$45

ATTACH: Endorsement ASIS-END-O10D-DP, Personal Injury Coverage for DP-3 Policies

4. Medical Payments to Others (Coverage M)

Medical Payment to Others (Coverage M) is automatically included with a \$1,000 limit when optional personal liability (Coverage L) is purchased. This coverage can be increased to the following limits at the rate indicated:

LIMIT	RATE
\$1,000	Included when Coverage L is purchased
\$2,000	\$10
\$3,000	\$15
\$5,000	\$19

F. Deductibles

The following deductible options are available (please note that a separate deductible applies to earthquake coverage when purchased). The applicable deductible for damage caused by a tenant is the greater of \$5,000 or the policy deductible listed on the Declarations page.

DEDUCTIBLE	CREDIT / CHARGE
\$1,000	Base
\$1,500	-10%
\$2,000	-12%
\$2,500	-14%
\$3,000	-16%
\$4,000	-20%
\$5,000	-24%
\$7,500	-28%
\$10,000	-32%

ATTACH: Endorsement ASIS-END-M16S, Increased Deductible for Damage Caused by Tenants

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G. Green Coverage Option (DP-3 only)

When Eco-Friendly Dwelling and Personal Property Upgrade Coverage is added to the DP-3 policy, the limit of insurance applicable to green upgrade coverage will be equal to 10% of the Coverage A (Dwelling) limit subject to a maximum of \$50,000. This coverage can be added for a 6% surcharge to the basic premium. This coverage is additional insurance and the policy deductible applies.

ATTACH: Endorsement ASIS-END-O16D-DP, Green Upgrade Coverage for DP-3 Policies

H. Earthquake Coverage

Earthquake coverage can be added, equal to the Coverage A limit for the following additional premium:

CONSTRUCTION TYPE	RATE PER \$1,000 OF LIMIT
MASONRY	\$18
ALL OTHER	\$15

ATTACH: Endorsement ASIS-END-O2D, Earthquake Coverage

I. Packages

1. Prestige Dwelling Package (DP-3 only)

For a 15% surcharge, the additional coverage listed below is added to the policy:

- 25% Extended Replacement Cost for the Dwelling
- \$2,500 Water Backup Coverage (can be increased to \$5,000 for an additional \$35 or increased to \$10,000 for an additional \$65)
- \$10,000 Personal Property (Coverage C) limit (can be increased per rates in Section 11-C)
- \$2,000 Limited Asbestos and Lead Coverage

ATTACH: Endorsement ASIS-END-M28S, Extended Replacement Cost Coverage (25%)  
Endorsement ASIS-END-O3D, Water Backup Coverage  
Endorsement ASIS-END-O29S-DP, Limited Asbestos and Lead Coverage for DP-3 Policies

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J. Equipment Breakdown Coverage

Equipment breakdown coverage can be added to DP-3 policies. Equipment Breakdown coverage has a \$500 deductible per equipment breakdown occurrence and is subject to a \$100,000 per occurrence limit with a \$10,000 per occurrence sublimit for expediting expense, spoilage and pollutant cleanup and removal. Rates for DP-3 policies are based on the Coverage A limit (see rate table below).

DP-3 COVERAGE A LIMIT	RATE
\$0 - \$500,000	\$35
\$500,001 - \$1,000,000	\$70

ATTACH: Endorsement ASIS-END-O34D, Equipment Breakdown Enhancement Endorsement

## 12. Credits and Surcharges

Unless otherwise specified charges and credits are applied to the Basic Premium. See the premium computation section to determine the Basic Premium.

### A. Multi-Policy Discount

If the insured has another in-force policy, a premium credit may be allowed. The premium credit is applied to the Basic Premium and is discontinued if the other policy is not maintained in-force. Only the higher of Level 1 or Level 2 discounts will be applied.

DISCOUNT LEVEL	OTHER POLICY TYPE	CREDIT
LEVEL 1	Private passenger auto	2%
LEVEL 2	Affiliate or partner auto policy	5%
LEVEL 3	Aegis policy	9%

### B. Roof Replacement Credit

If the entire roof is replaced with an acceptable type of roof, the following credit will be applied.

AGE OF ROOF	CREDIT
0 – 5 YEARS	5%
6 – 10 YEARS	2%

### C. Copper Plumbing Discount (DP-3 only)

If the entire pressurized plumbing system, excluding exterior landscape irrigation plumbing, consists entirely of copper pipe, a 2% credit will be applied. Please be aware that the policy is endorsed when this credit is applied such that coverage is reduced or eliminated if a loss occurs and the entire plumbing system is not copper.

ATTACH: Endorsement ASIS-END-M10D, Copper Plumbing Agreement



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D. Central Alarm Discount

If the home has an installed alarm system that is connected to a remote 24-hour central station service, police or fire department, the home qualifies for a credit. Burglar alarms must be full perimeter and/or motion detecting systems. Smoke or motion detectors that are only audible locally and not connected to a central, monitored service do not qualify.

CENTRAL ALARM SERVICE	CREDIT
BURGLARY ONLY	5%
FIRE ONLY	5%
BOTH BURGLARY AND FIRE	10%

ATTACH: Endorsement ASIS-END-O12D, Premises Burglary or Fire Alarm System

E. Newly Acquired Discount

For policies that incept prior to July 1, 2021, if the home or unit closed escrow within the past 9 months, a 9% credit is applied to the basic premium for one policy term. At the next renewal, the discount is reduced to 6%. At the second policy renewal, the discount is reduced to 3% and is removed thereafter.

F. Loss Experience and Loyalty Credit

Risks with more than 2 paid losses in the past 60 months are not eligible for this program. The following discounts and charges apply based on the Named Insured's loss history within the last 60 months.

LOSSES IN LAST 60 MONTHS	NEW BUSINESS	1 <sup>ST</sup> RENEWAL	2 <sup>ND</sup> RENEWAL	3 <sup>RD</sup> RENEWAL	4 <sup>TH</sup> RENEWAL	5 <sup>TH</sup> AND ALL SUBSEQUENT RENEWALS
NO LOSSES	0%	-3%	-6%	-8%	-10%	-10%
1 LOSS	15%	15%	12%	10%	10%	10%
2 LOSSES	25%	25%	22%	20%	20%	20%

G. Multi-Family Units Surcharge

- 2 Family (Duplex): 8%
- 3 Family (Tri-plex): 20%
- 4 Family (Four-plex): 25%

H. Corporate Owned Property Surcharge

If the dwelling is owned/titled in the name of a corporation, association, business, church, or non-profit organization, then a 25% surcharge to the Basic Premium is applied.

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I. Woodstove Surcharge

If the home has a wood, pellet, coal or kerosene stove that is used as a secondary source of heat a \$50 surcharge is applied to the policy.

J. Townhouse or Row House Surcharge

For a premium surcharge, a townhouse or row house that shares common walls with other units in the same building, but where the structural components of the unit being insured are owned by the Named Insured can be written with the following charge applied (example: this applies to units such as a townhouse, but a condominium is not eligible). The building that contains the townhouse or row house being insured can contain no more than eight (8) individual family units.

# OF INDIVIDUAL FAMILY UNITS WITHIN THE BUILDING	SURCHARGE
2 – 4	10%
5 – 8	25%

## 13. Multi-Dwelling Policies

Tenant occupied policies may insure up to three (3) dwellings per policy as long as each dwelling meets all risk criteria in this manual. The following additional rules apply to policies with multiple dwellings.

1. Only one type of policy (either DP-1 or DP-3) may be issued for all dwellings.
2. If the dwellings are on different properties, each property must meet all eligibility criteria in this manual.
3. All dwellings must have a Wildfire Score of 3Y or lower.
4. Each dwelling will establish its own replacement cost estimation and Coverages A (Dwelling), B (Other Structures), C (Personal Property) and D (Fair Rental Value) will apply separately to each dwelling.
5. Each dwelling will be rated separately based on the coverages, deductible, credits and charges applied to it.
6. If selected, Coverages L (Liability) and M (Medical Payments) must be the same for all dwellings.
7. If earthquake coverage is purchased, it must be purchased for all dwellings listed on the policy.
8. Multi-Policy Discounts, and Loss Experience and Loyalty Credits apply at the policy level.

## 14. Construction Classifications

### A. WOOD FRAME

Exterior walls of wood or other combustible construction, including wood ironclad, stucco on wood or plaster on combustible supports or aluminum or plastic siding over frame. Frame construction includes "mixed" frame/masonry when the exterior walls of frame construction (including gables) exceeds 33% of the total exterior wall area. The following types of construction are considered Wood Frame:

- Stucco on Frame
- < 67% Brick Veneer
- Aluminum Siding
- Clapboard Siding
- Vinyl Siding
- Wood Siding
- Stone on Frame
- Cement Fiber Shingles
- Wood Shakes
- Solid Log

### B. STEEL

A dwelling with exterior walls of non-combustible construction, including metal or plastic siding, stucco or plaster on steel supports.

### C. MASONRY / CONCRETE

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials, and floors and roofs of combustible construction (disregarding floors resting directly on the ground). The following types of construction are considered Masonry:

- > 67% Brick Veneer
- Solid Brick
- Solid Stone
- Concrete Block
- Glass Block
- Tile for Weatherproofing

### D. SUPERIOR CONSTRUCTION

A dwelling with exterior walls, roof and floors of non-combustible materials. The following types of construction are considered Superior Construction:

- Non-Combustible – exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials
- Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in C above) and floors and roof of metal or other non-combustible materials
- Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials

## 15. Changes on Policy

It is not permissible to cancel any of the mandatory coverages provided unless the entire policy is cancelled. The mandatory coverages are Coverage A, B and either D (Fair Rental Value) or E (Additional Living Expenses), depending upon the occupancy of the policy.

If the policy is cancelled by either the Named Insured or Aegis, the return premium shall be 100% of the pro rata unearned premium.

## 16. Roofs

### A. Roof Age

The signed application will specifically disclose the age of the roof. The age of the roof is determined by subtracting the year the roof was installed from the year that the policy takes effect. The roof age will be updated manually at each policy renewal.

If the roof age is updated or changed due to roof replacement, a copy of evidence (e.g. – copy of roof manufacturer’s warranty indicating replacement date, copy of roof age disclosure statement from real estate transaction, receipt from roofing contractor) showing the date the roof was replaced must be submitted to the company.

### B. Roof System Type

Acceptable roof systems are as follows:

1. **Asphalt / Composition** - includes:
  - (a) Asphalt – Shingle (Fiberglass)
  - (b) Asphalt – Shingle (Architectural)
  - (c) Asphalt – Shingle (Architectural – HQ)
  - (d) Composite – Impact Resistance Shingle
  - (e) Composite – Shake
  - (f) Composite – Tile
2. **Slate** – includes:
  - (a) Slate
3. **Metal** – includes:
  - (a) Metal – Copper
  - (b) Metal – Steel
  - (c) Metal – Painted Rib
  - (d) Metal – Corrugated Galvanized
4. **Flat/Built-up/Roll** – includes:
  - (a) Tar and Gravel
  - (b) Built-up
  - (c) Foam Composite
  - (d) Membrane
  - (e) Roll Roofing
5. **Tile** – includes:
  - (a) Tile – Clay/Ceramic
  - (b) Tile – Clay (Mission)
  - (c) Tile – Clay (Spanish)
  - (d) Tile – Concrete
  - (e) Tile – Cement
6. **Wood Shake / Shingle** – includes:
  - (a) Wood – Shake
  - (b) Wood – Shake (Victorian/Scalloped)

(c) Wood – Shingle

If roof system consists of more than one roof type, select the most predominant roof type. Predominant roof type refers to the roof type that covers the greatest percentage of the dwelling.

C. Roof Condition

Roof condition will be verified during the inspection process. The conditions are defined as follows:

- Excellent: No major/minor concerns listed.
- Good: One minor concern listed and no major concern listed.
- Fair: Two minor concerns listed, or one major concern listed.
- Poor: Two or more major concerns listed, or any combination of major and minor concerns, or any unacceptable roof characteristic.

Examples of major concerns, minor concerns, and unacceptable roof characteristics are listed below. Please note that the lists are not exhaustive and Aegis may add, remove, or reclassify concerns at its discretion.

<u>Major Concern</u>	<u>Minor Concern</u>	<u>Unacceptable Roof Characteristic</u>
Blistering	Granule loss	Tree damage
Curling/cupping	Impact marks	Improper installation
Missing/flashing vents		3 or more shingle layers
Cracking		Missing shingles/tiles
Erosion		Exposed felt
Valley concern		
2 shingle layers		
Vent problems		
Rust (Metal/Hail Resistant)		

D. Roof Coverage Types

Roof coverage will be determined based on roof age, roof system type and roof condition as indicated below:

Replacement Cost Coverage (DP-3 only):

Replacement cost coverage is available for DP-3 policies with roofing systems in excellent and good condition based on the age of the roofing system as indicated in the chart below. Roofing systems in fair condition do not qualify for replacement cost coverage. Roofing systems in poor condition will have coverage for the roofing system limited to fire and lightning only regardless of age.

Roofing System	Age / Condition of the Roof System	
	Excellent Condition	Good Condition
Asphalt / Composition	1-22	1-15
Slate	1-35	1-28
Metal	1-56	1-34
Flat/Built-up/Roll	N/A	N/A

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Tile	1-35	1-28
Wood Shake / Shingle	1-13	1-8

ATTACH: Endorsement ASIS-END-M27D-DP, Replacement Cost Coverage for Roofing and Roof Components for DP-3 Policies

Actual Cash Value Coverage

Actual cash value coverage is provided for roofing systems in excellent, good and fair condition based on the age of the roofing system as indicated in the chart below. Roofing systems in poor condition will have coverage for the roofing system limited to fire and lightning regardless of age. Newer roofs may qualify for replacement cost coverage if they are written on DP-3 policies (see previous section).

Roofing System	Age / Condition of the Roof System		
	Excellent Condition	Good Condition	Fair Condition
Asphalt/Composition	23+	16+	1-15
Slate	36+	29+	1-40
Metal	57+	35+	1-36
Flat/Built-up/Roll	1-13	1-10	1-5
Tile	36+	29+	1-40
Wood Shake/Shingle	14+	9+	1-14

Roof for Fire and Lightning Only

Roofing system coverage will be limited to the perils of fire and lightning for roofing systems in fair condition based on the age of the roofing system as indicated in the chart below. Roofing systems in poor condition, regardless of age, will have coverage for the roofing system limited to fire and lightning only.

Roofing System	Age/Condition of the Roof System			
	Excellent Condition	Good Condition	Fair Condition	Poor Condition
Asphalt/Composition	N/A	N/A	16+	1+
Slate	N/A	N/A	41+	1+
Metal	N/A	N/A	37+	1+
Flat/Built-up/Roll	14+	11+	6+	1+
Tile	N/A	N/A	41+	1+
Wood Shake/Shingle	N/A	N/A	15+	1+

ATTACH: Endorsement ASIS-END-M13D, Roof for Fire and Lightning Only



# 17. Forms

COVERAGE FORM							
Form Number	Edition	Title	Source	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Occupancy (P)rimary / (S)easonal / (T)enant / Vacation (R)ental / (V)acant
DB-POL-DP1	Ed. 4	Basic Dwelling Fire Policy	ASIS	DP-1	M	S	P, S, T, R, V
DB-POL-DP3	Ed. 4	Broad Dwelling Fire Policy	ASIS	DP-3	M	S	P, S, T, R

ENDORSEMENTS							
Form Number	Edition	Title	Source	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Occupancy (P)rimary / (S)easonal / (T)enant / Vacation (R)ental / (V)acant
ASIS-END-M15-CADP	Ed. 3	California Amendatory Endorsement for Dwelling Fire Policies	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-M3S	Ed. 1	Registered Domestic Partner Coverage	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-M4S	Ed. 1	Worker's Compensation for Residence Employees	ASIS	DP-1, DP-3	M	D	P, S, T, R, V
ASIS-END-M7S	Ed. 3	Inflation Guard	ASIS	DP-3	M	S	P, S, T, R
ASIS-END-M8S	Ed. 1	Property Held by Legal Entity	ASIS	DP-1, DP-3	M	S	P, S, T, R
ASIS-END-M9S	Ed. 2	Occupancy Endorsement	ASIS	DP-1, DP-3	M	D	P, T
ASIS-END-M10D	Ed. 3	Copper Plumbing Agreement	ASIS	DP-3	M	D	P, S, T, R
ASIS-END-M13D	Ed. 2	Roof for Fire and Lightning Only Endorsement	ASIS	DP-1, DP-3	M	D	P, S, T, R, V
ASIS-END-M14D	Ed. 1	Dwelling Purchased Through Foreclosure	ASIS	DP-1, DP-3	M	D	P, S, T, R, V
ASIS-END-M15S	Ed. 1	Exclusion of Cosmetic Hail Damage to Roof	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-M16S	Ed. 2	Increased Deductible for Loss or Damage Caused by Tenants	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-M22S	Ed. 1	Terrorism and War Exclusion	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-M26S	Ed. 3	Animal Liability Coverage	ASIS	DP-1, DP-3	O	D	P, S
ASIS-END-M27D-DP	Ed. 1	Replacement Cost Coverage for Roofing and Roof Components for DP-3 Policies	ASIS	DP-3	M	D	P, S, T, R
ASIS-END-M28S	Ed. 2	Extended Replacement Cost Coverage (25%)	ASIS	DP-3	O	D	P, S, T, R
ASIS-END-M29D	Ed. 1	CPL Endorsement (Tenant Occupied Dwelling)	ASIS	DP-1, DP-3	M	D	T
ASIS-END-M31D	Ed. 2	Animal Liability Exclusion	ASIS	DP-1, DP-3	M	D	P, S, T, R, V
ASIS-END-M41S	Ed. 1	Vandalism and Malicious Mischief Deductible	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-M42S	Ed. 1	Subletting Exclusion	ASIS	DP-1, DP-3	M	S	P, S, T, R, V
ASIS-END-O2D	Ed. 1	Earthquake Coverage	ASIS	DP-1, DP-3	O	D	P, S, T, R, V
ASIS-END-O3D	Ed. 2	Water Backup Coverage	ASIS	DP-3	O	D	P, S, T, R
ASIS-END-O4D	Ed. 3	Ordinance or Law Coverage	ASIS	DP-3	O	D	P, S, T, R
ASIS-END-O8D-DP	Ed. 2	Theft Coverage for Dwelling Fire Policies	ASIS	DP-1, DP-3	O	D	P, S, T, R
ASIS-END-O10D-DP	Ed. 1	Personal Injury Coverage for DP-3 Policies	ASIS	DP-3	O	D	P, S, T, R
ASIS-END-O12D	Ed. 1	Premises Burglary or Fire Alarm System	ASIS	DP-1, DP-3	O	D	P, S, T, R, V
ASIS-END-O14D	Ed. 6	Comprehensive Personal Liability Coverage	ASIS	DP-1, DP-3	O	D	P, S, T, R
ASIS-END-O15D	Ed. 3	Premises Liability Coverage	ASIS	DP-1	O	D	V
ASIS-END-O16D-DP	Ed. 2	Green Upgrade Coverage for DP-3 Policies	ASIS	DP-3	O	D	P, S, T, R
ASIS-END-O17D	Ed. 1	Vandalism and Malicious Mischief for DP-1 Policies	ASIS	DP-1	O	D	P, S, T, R, V
ASIS-END-O27D	Ed. 1	Loss Assessment Coverage	ASIS	DP-1, DP-3	O	D	P, S, T, R, V
ASIS-END-O29D-DP	Ed. 2	Limited Asbestos and Lead Coverage for DP-3	ASIS	DP-3	O	D	P, S, T, R, V
ASIS-END-O30D-DP	Ed. 1	Limited Water Coverage	ASIS	DP-3	O	D	P, S, T, R
ASIS-END-O34D	Ed. 1	Equipment Breakdown for DP-3	ASIS	DP-3	O	D	P, S, T, R