

Markel Product Manual

Dwelling Fire



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This manual is intended to provide an overview of the Markel Dwelling Fire product. State by state variations may occur. This manual is protected by legal privilege and should not be shared with anyone unauthorized.

Program Highlights

The Markel Dwelling Fire program is intended to provide coverage for a wide variety of dwelling risks, providing coverage for owner occupied, seasonal, rental and vacant risks, all under one comprehensive program. With some of the best coverage in the marketplace, knowledgeable claims and underwriting staff, top-notch service and our longevity in the industry, we are proud to welcome you to the new, improved property insurance source.

The Markel Dwelling Fire program on the MAGIC system incorporates insurance scoring in rating which provides an objective and consistent tool by which to price the risk. An insurance score is developed using credit report attributes that have been shown to be statistically predictive of claims frequency.

Highlights:

- Build Your Own Package – Property and Liability, Property Only or Liability Only
- Two policies to offer your customers – DP-1 & DP-3
- Coverage for Owner Occupied, Seasonal, Rental, Tenant and Vacant Risks
- A base policy form with endorsements to tailor coverage to the risk
- Multiple rental units can be scheduled on one policy
- Coverage available for rental, seasonal and vacant condominium units
- We are pleased to offer a premium benefit for the following items
 - Loss free applicants
 - Mature owners
 - Newer dwellings

The program highlights provide a high level overview and is not all inclusive. Always refer to the policy form and restrictions that are applicable.

Program Definitions

Owner Occupied Dwellings	A dwelling/condominium unit used as the insured's primary residence. Dwellings cannot be rented to others unless the Occasional Rental option is selected.
Seasonal Dwellings	A dwelling/condominium unit that is not the primary residence of the insured, but used on an intermittent basis by the insured. Dwellings cannot be rented to others unless the Occasional Rental option is selected.
Rental Dwellings	A dwelling/condominium unit in which the insured has legal title and is rented to others for residential purposes. When a multi-unit dwelling is owner occupied with two or more rental units, "Rental" shall be selected when rating.
Vacant Dwellings	A dwelling/condominium unit that is unoccupied and/or being held for sale, whether or not the contents have been removed.
Row House/Townhouse	Any structure comprised of more than two residences joined by at least one common wall.
Supplemental Heating Device	Wood, coal, or pellet burning stoves, space heaters, fireplace inserts or any other heating device that is not centralized.

General Rules

Valuation	DP-1 - All property must be insured to 100% market value, excluding land. DP-3 - All property must be insured to 100% Replacement Cost, excluding land.
Minimum Written & Earned Premium	There is a \$100 minimum written and earned premium or as required by state regulations.
Inspection Fee	A fully earned \$35 inspection fee is applied to those risks where an inspection report is ordered.
Policy Term	All policies except Vacant are written on an annual term. Vacant policies may be written for a 3, 6 or 12 month term.
Applications	A fully completed and signed application must be attached to the policy in the MAGIC system or mailed to the general agent within 48 hours of the policy effective date. The MAGIC system application will be pre-filled with the information captured during the quoting process.

Application/Issuance

The Markel Dwelling Fire product will be quoted and issued thru the MAGIC system. Once a policy has been issued, a fully completed and signed application must be attached to the policy in the MAGIC system or mailed to the general agent. The MAGIC system application will be pre-filled with the information captured during the quoting process.

Eligibility: The Product guidelines and the MAGIC system will alert you to potential eligibility issues. A warning message will be provided if a risk attribute is entered that renders the risk ineligible. If you receive a message that the risk is ineligible, do not proceed. Should you have questions, please contact MAIC for clarification. Not all conditions that render a risk ineligible will be flagged by system rules. It is the responsibility of the user to be familiar with the eligibility section of this manual and notifications delivered via bulletin.

Quote Indications: There are two options for quoting; a quick rate indication or a full quote.

Rate Indication: Limited information is gathered to quickly deliver a rate indication. Use this option for all usages except a rental with multiple units. The rate indication is not an offer of coverage and is subject to all underwriting guidelines. The rate indication assumes that the applicant has not had any losses in the last 5 years.

Full Quote: Fields required to deliver a full quote are highlighted on the owner, unit and underwriting screens; additional information will be required to issue.

If the risk is outside of your authority, a quote indication will be provided. The system will alert you that approval is required. Quotes may be released as an indication without being submitted to the company. When releasing an indication to an applicant, please be sure to notify them that coverage and premium is subject to company review and approval.

A quote is valid 60 days and must be issued within this window. Otherwise the quote will be required to be refreshed/recalculated using the most current rate profile.

Application/Issuance (conitnued)

Referral Process: Any risk requiring referral will follow an established hierarchy. For instance, a risk entered by a subproducer will be referred to the General Agent. If the General Agent does not have the authority to approve the risk, the General Agent will refer the risk to Markel American. When approved, declined or pended for more information, both the General Agent and subproducer will be alerted. To expedite the referral process, it is preferred that any documents that may be relied upon in the underwriting process are added as an attachment in MAGIC and labeled according to the type of document. For efficiency, referral submissions should only be made via the MAGIC system messaging capability.

When approving a referral from a subproducer, please include specific detail in the approval message regarding limits, deductibles, etc. that are approved. Example: Approved for \$150,000 Coverage A at \$1,000 deductible.

Issuance: If the risk attributes are within your authority or you have received company approval on a referral, you may issue the policy in MAGIC after completing the fields required for issuance (blue fields) and securing proper payment.

Payment

Initial payment is due upon issuance of the policy.

Payment Plans:

- Full Pay Payment due upon effective date of policy
- 2 Pay 50% down, 50% due in 90 days
- 4 Pay 25% down, 25% due in 60, 120 & 180 days
- 8 Pay 18% down, 12% due in 60, 90, 120, 150, 180, 210 & 240 days
- 12 Pay Only available on those policies that have chosen to pay with recurring payments

Installment Fees:

- \$5 per each non-EFT/ACH installment payment (or as allowed by state regulations)
- \$1 per each EFT/ACH installment payment
- Installment fee is waived on the first installment

Bill Other – If the 'Bill Other' option is chosen, the invoice is mailed to the designated party with all legal documents sent to the Named Insured.

Endorsements/Renewals/Cancellations

Endorsements: All endorsements are processed in MAGIC. Eligibility and Authority are enforced as with new business. MAGIC will also enforce any date restrictions. Any additional premium due will be invoiced.

Renewals: Renewals are direct-bill and are generated by MAGIC according to state required guidelines, but at least 35-days prior to the expiration of the current term. Policies will receive a lapse notice if payment is not received prior to expiration.

Cancellations: Cancellations for non-payment are also generated by MAGIC according to state-required guidelines. All other cancellations must be processed by Customer Service.

Claims

All claims are adjusted in the Claims Department at Markel American Insurance Company. First loss notices are taken by Markel Customer Service, 800-236-2453.

Eligibility

A risk with any of the following is ineligible for the Market Dwelling Fire program.

Applicants

- Convicted of fraud, arson or other insurance related offenses
- Foreclosure or repossession in the last 4 years
- More than 60 days past due in mortgage payments
- Unemployed other than those retired or disabled

Dwellings

- Primary heat source is not thermostatically controlled
- Kerosene or other portable space heaters are used
- Without utility service
- Not easily accessible from public roadways
- Unrepaired damage
- Risks in the process of major renovation, unless risk is written as a vacant (Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering)
- Attached to, occupied as, or converted from a commercial risk
- Without working smoke detectors
- More than two loss payees
- Risks used as student housing, such as fraternity, sorority or similar occupancy
- Rental risks with more than one unit where any unit is not rented or available for rent
- Open foundations (DP-3 only)
- Flat roofs (DP-3 only)
- Knob & tube wiring
- Risks rented out for short periods of time unless the Short Term Rental endorsement is purchased
- Seasonal and owner risks that are occasionally rented to others unless the Occasional Rental endorsement is purchased

Special Hazards

Property

- Units with wood or coal burning stoves or heaters used for supplemental heating and not factory or commercially installed. Submit a completed and signed Supplemental Heating Application certification by the insured accompanied by one photo which shows the stove and one exterior photo of the chimney
- Roof age on a DP-3 may necessitate the use of the Actual Cash Value Roof Endorsement
- If Other Structures coverage is requested and there is a structure in poor condition or improperly maintained, coverage should be removed with the Building Exclusion Endorsement
- Applicants who have been cancelled or nonrenewed in the last four years

Liability

- Applicants with any animal with a history of aggression or biting or is considered exotic or potentially dangerous. Liability coverage may be offered if the Animal Liability Exclusion is attached
- Risks with steps, porches & decks that are 3' or more off the ground and do not have secure rails
- Swimming pools that are not fully enclosed in a locked fenced area.
- Risks with a business on premises will need to be referred if Liability coverage is requested
- Risks with a trampoline on the premises

Coverage Options

This section provides information regarding available coverage options. *Always refer to the policy for specific coverage details. The policy language will always prevail.*

Coverage can be tailored to the needs of the insured with the option to provide dwelling only, liability only or both.

PROPERTY AND LIABILITY BASE COVERAGES

- **Coverage A – Dwelling**
Coverage is available on the following forms:
 - DP-1 – Named Peril coverage with ACV settlement
 - DP-3 – Comprehensive coverage with Replacement Cost settlement
- **Coverage B – Other Structures**
Settlement terms are the same as those noted for Coverage A – Dwelling.
- **Coverage C – Personal Property**
The base policy forms provide Actual Cash Value coverage with the option to purchase Replacement Cost coverage.
- **Coverage D – Fair Rental Value**
This optional coverage is available for seasonal and rental risks.
- **Coverage E – Additional Living Expense**
This optional coverage is available for owner occupied risks.
- **Coverage L – Personal Liability**
Available for all but rental risks with limits ranging from \$25,000 to \$300,000.
- **Coverage L – Premises Liability**
This optional coverage is available for rental risks with limits ranging from \$25,000 to \$300,000.
- **Coverage F – Medical Payments To Others**
This coverage is included with all risk types at a \$500 limit if Coverage L is purchased, with the option to increase to \$1,000.
- **Coverage G – Damage To Property Of Others**
Included with all risk types at \$1,000 if Coverage L is purchased.

ADDITIONAL COVERAGES AVAILABLE

- **Limited Theft Coverage**
An optional coverage that protects the home and personal belongings for their actual cash value, if someone forces entry into the home.
- **Wind or Hail - Radio & TV Antenna, Awnings & Signs**
This endorsement provides coverage for radio & TV antenna, awnings and signs when damaged by the perils of windstorm or hail.
- **Vandalism & Malicious Mischief**
In the event of a covered vandalism loss, the endorsement would cover the vandalism on your dwelling up to the limits of your coverage.
- **Builder's Risk**
Available when Coverage A is purchased for vacant risks. This endorsement provides coverage for risks that are undergoing renovations or completion of new construction.
- **Short Term Rental**
This endorsement provides coverage to those risks that are rented to others with lease terms of less than three months.
- **Occasional Rental**
This coverage is available for those owner and seasonal risks that are occupied for at least four months of the year and only rented to others occasionally.

Coverage Options (continued)

- **Equipment Breakdown**
Available when Coverage A is purchased and covers physical loss or damage originating within mechanical, electrical, electronic or fiber optic equipment caused by, resulting from, or consisting of mechanical breakdown, electrical or electronic breakdown or rupture, bursting, bulging, implosion or steam explosion. Deductible options are \$250 or \$500.
- **Actual Cash Value Roof**
This endorsement is available for those risks with an older roof than may be eligible in a program or if the insured wishes to insure the roof for actual cash value under the DP-3 form.
- **Restrictive Roof**
This endorsement is used when the risk has a roof in poor condition. The endorsement excludes loss or damage to the roof due to the perils of wind and/or hail and excludes interior water damage resulting from the roof condition.
- **Animal Liability Exclusion**
The form should be used for risks where the applicant desires liability coverage but is ineligible due to the presence of an exotic or potentially dangerous animal, such as those with a history of aggression or biting.
- **Water Backup**
Coverage of \$5,000 is provided when water escapes, overflows or discharges from a sump pump or other similar system.
- **Building Exclusion**
This endorsement should be used to exclude all coverage for a specific building on the insured premises that does not meet the underwriting guidelines due to condition, use, etc. When used, the building description will be listed on the endorsement.
- **Wind or Hail Exclusion**
This exclusion removes coverage for any loss or damage caused directly or indirectly by wind or hail. The endorsement can be used to provide other than wind/hail coverage when capacity has been reached in a particular zone. The endorsement must be attached in order to provide coverage when a hurricane or tropical storm binding restriction is in force. This endorsement is not available in all states.

DEDUCTIBLES

The MAGIC system will show all available deductible options. Wind/Hail or Named Storm deductibles may apply and will display on the quote indication if applicable.

Common Questions

I'm ready to issue the policy, but I do not have a Submission Page. What is wrong?

If you do not see a Submission Page, that is likely because you are missing information on one of the quote pages. Go back and check to be sure that you have all of the required information entered.

How do I add an Additional Insured to the policy?

Go to the Unit page, click on the dropdown box for 'Has Additional Interest on Policy?'. In the drop down box, you will see Additional Insured listed. Once it is selected, a tab will appear at the top of the page, labeled 'Additional Interest'. Add the information to the 'Additional Interest' tab, and don't forget to click the 'Add' button to ensure that it is added to the policy.

I would like to quote several rental units on one policy, but I can't seem to add units to the rate indication. How can I add units?

To quote a rental schedule, you will need to complete a full quote. A rate indication will only provide a quote for one unit.

Common Questions (continued)

How many units can I add to a rental policy?

As many as are needed.

How do I print a rate indication?

On the Coverage screen, there is a button titled 'Print Rate Indication'. Once you click the button, you will be taken to a page where you can type comments that you would like to appear on the rate indication. Click on 'Print' and the system will notify you when the rate indication has printed. Click 'Return to Policy', then click on the 'Policy Details/Attachments' link in the upper right corner. You will find the printed indication under 'Current Attachments'.

Where can I find the Declarations Page and Rate Indications?

In the upper right corner of your screen, you will see 'Policy Details/Attachments'. Click on the link and at the bottom of the page, you will see a section for 'Current Attachments'. All items that have printed for this policy will be shown here, with the most recent item listed at the bottom. Click on the PDF of the file you would like to view. This is also where you would see any items that you have attached to the file, such as a signed and completed application or photos.

I tried to add an endorsement from the Coverage Page, but I do not see that it is listed on the Quote Page in the endorsement section.

Go to the Coverage Page, click on the 'Endorsement' button. All available endorsements will display in the drop down box. Select the appropriate endorsement and click the 'Add' button for the endorsement to be attached to the quote/policy.

The system says I have to refer the quote for approval, but I am just looking for an indication right now. Do I have to refer it?

No. You are always free to offer an indication subject to Company approval. You only need to submit once you are looking to bind and have all of the appropriate documentation in hand.

How can I see what payments the insured has made and what payments will be due?

From the TransACT screen, click on the 'View Service History' button. You will then be able to view the Payment History as well as the Service History including future payments due.

When I search for a quote/policy, there is a padlock next to it. Is there something wrong?

No, this simply means that someone else is currently in the policy or that someone did not exit the policy by clicking 'Exit' or 'Save for Later'. If need be, we can unlock the policy for you. Always remember to click the 'Exit' or 'Save for Later' button when exiting a quote/policy to ensure that it will be open for the next user to use.

Can payment be made online?

Absolutely. Visit www.markelamerican.com/pay. From there, you can decide if you want to make a payment with a credit card, debit card, or through the customer's checking account.

Further Information

For further information, please contact your general agency partner for assistance.

For system instructions please refer to the Markel MAGIC System Manual for Dwelling Fire.

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