

# American Reliable Insurance Company

A Stock Insurance Company

8655 E Via De Ventura  
Scottsdale, AZ 85258-3321

A.M. Best Rated A-, Excellent

NEW BUSINESS EFFECTIVE: 08/01/09  
RENEWAL BUSINESS EFFECTIVE: 09/01/09



## **NEVADA** *Manufactured Home Underwriting Guidelines*

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## DEFINITIONS

### TERRITORIES:

Territory A                      Remainder of state

Territory B Counties:      Clark                      Nye

### OCCUPANCY DEFINITIONS:

- Primary/Permanent:**      A one family home owned and occupied by the named insured on a permanent basis. The home must be occupied by the insured for at least nine (9) months.
- Rental Home:**              Home owned by the named insured, but occupied by others. The home is rented to others for residential purposes.
- Seasonal/Secondary:**      A home that is not the primary residence of the insured, but one that is used on an intermittent basis by the named insured.
- Vacant:**                      Absence of most of the furniture and other items needed for human occupancy as a home.
- Unoccupied:**                Homes without human inhabitants but contain enough furnishings or other personal property to show intent to return and occupy the home.
- Commercial Home:**        A home used for light office or professional purposes.
- Insured Age:**                Year the policy is effective minus the year the insured was born.
- Home Age:**                  Year the policy is effective minus the manufactured year of the home.
- Supplemental Heating:**    Any heating device or fireplace that is not installed by the manufacturer or any heating device that burns wood, coal or pellets.

### PROTECTION CLASS:

- Protected:**                  The home is located in ISO Protection Class 1-8 or in a park, subdivision or community with 25 or more occupied spaces with permanently installed water, electricity and sewage utility services.
- Unprotected:**                All homes not meeting the definition of "Protected".

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

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

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

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

# ELIGIBILITY AND COVERAGES

COVERAGES	PREFERRED PROGRAM L.O.B. 46	SPECIAL PROGRAM L.O.B. 37	RELIABLE VINTAGE L.O.B. 86	ALL PURPOSE PROGRAM L.O.B. 48
Minimum/Maximum Value	\$25,000 - \$200,000	\$1,000 - \$150,000	\$1,000 - \$125,000	\$1,000 - \$125,000
Occupancy	Primary/Permanent	Primary/Permanent Seasonal/Secondary	Seasonal/Secondary Vacant	Rental/Light Commercial
Manufactured Home Coverage	Included	Included	Included	Optional
Unattached Other Structures Coverage	10% of Coverage A Limit	10% of Coverage A Limit	Optional	Optional
Personal Property Coverage	50% of Coverage A Limit	50% of Coverage A Limit	Optional	Optional
Liability/Medical Payments	\$50,000/\$1,000	\$25,000/\$500	Optional	Optional
Additional Living Expense	20% of Coverage A Limit	10% of Coverage A Limit	10% of Coverage A Limit	N/A
Manufactured Home Replacement Cost	Included	N/A	N/A	N/A
Manufactured Home Full Repair Cost	N/A	Included on Homes 1970 & Newer	N/A	N/A
Personal Property Replacement Cost	N/A	Optional	N/A	N/A
Loss Settlement	Coverage A & B - Replacement Cost Coverage C - ACV	Coverage A, B, & C - ACV Unless Full Repair Cost is Purchased on A & B, or Replacement Cost on C	ACV	ACV
Deductible	\$250 AOP/\$500 Wind/Hail	\$250 AOP/\$500 Wind/Hail	\$250 AOP/\$500 Wind/Hail	Various
Earthquake Coverage	Excluded Option to Purchase Coverage Available	Excluded Option to Purchase Coverage Available	Included	Excluded
Flood Coverage	Excluded Option to Purchase Coverage Available	Excluded Option to Purchase Coverage Available	Excluded	Excluded Option to Purchase Coverage Available
Radio & Television Antenna	Included	\$100 Limit Included - Option to Increase Limit Available	\$100 Limit Included	\$100 Limit Included Option to Increase Limit Available
Fire Department Service Charge	\$250 Limit Included	\$250 Limit Included	\$250 Limit Included	\$100 Limit Included
Emergency Removal	\$500 Limit Included	\$500 Limit Included	\$500 Limit Included	\$500 Limit Included
Reasonable Repairs	Reasonable & Necessary	Reasonable & Necessary	Reasonable & Necessary	Reasonable & Necessary
Debris Removal	5% of Coverage A Limit Included	\$250 Limit Included	\$250 Limit Included	N/A
Trees, shrubs, plants, lawns	Included 5% of Coverage A Limit (\$500 per item)	Included \$50 for any one plant or shrub, \$100 for lawn or tree. Maximum combined is \$200 per Occurrence	N/A	N/A
Collapse	Included	Included	N/A	Comprehensive Coverage - Included Named Peril Coverage - Excluded

## MANUFACTURED HOME OPTIONAL COVERAGES

COVERAGES	PREFERRED PROGRAM L.O.B. 46	SPECIAL PROGRAM L.O.B. 37	RELIABLE VINTAGE L.O.B. 86	ALL PURPOSE PROGRAM L.O.B. 48
Golf Cart Coverage	Optional	Optional	N/A	N/A
Scheduled Personal Property Coverage	Optional	Optional	N/A	N/A
Occasional Rental	Optional	Optional	N/A	N/A
Enhancement Coverage	N/A	Optional	N/A	N/A

# GENERAL INFORMATION

1. **POLICY PERIOD:** Policy will be written for a period of one year.
2. **BINDING AUTHORITY:** For coverage to begin as requested, the application must be mailed within 72 hours of the effective date of coverage. Otherwise, coverage is bound at 12:01 A.M. the day it is received by the General Agent. No coverage may be increased within 72 hours of the announcement of an impending disaster, i.e. hurricane, tropical storm, volcanic eruption, earthquake, flood, mudslide, brushfire, etc.
 

**Earthquake:** If an earthquake occurs generating a reading of 5.0 or greater on the Richter Scale, new business policies and increased coverage requests on inforce business policies will be restricted on the day of the earthquake and for a 3 day period following the earthquake. Any aftershock readings of 5.0 or greater will be considered a new earthquake. The restrictions will apply for risks located within 150 miles of the earthquake's epicenter.

**Wildfire:** No new policies, binders or increases in coverage will be accepted when a wildfire is within 25 miles of the home.

**Wind:** In order to minimize the risk of wind loss, it is suggested that all homes be tied down in accordance with state requirements or with the following guidelines:

  - A. Use over-the-top or through-wall-and-roof type tie downs with a tensile strength (ultimate breaking strength) of 4,800 pounds.
  - B. The tie downs to be installed at the end of the home should be located no more than 6 feet from each end.
  - C. The other tie downs should be spaced an equal distance between themselves and the tie downs located near the end of the home.
  - D. Other structures and additions to the home should be tied down.
3. **APPLICATION:** The application must be completed in full and signed.
4. **PHOTOS:** Photos are required on ALL homes manufactured prior to 1976. Photos are also required for ALL stationary/travel trailers and any unattached structures.
5. **MINIMUM PREMIUMS:** A minimum written premium of \$100 will apply for each new and renewal policy.  
A minimum earned premium of \$50 will apply for each new and renewal policy.
6. **ENDORSEMENTS:** Any endorsement that results in an additional or return premium that is less than \$5 will be waived, unless the return premium is requested by the insured. All changes requiring adjustments of premium shall be computed pro rata and based on the rates in effect on the policy effective date.
7. **VALUATION:** The manufactured home must be insured to its full actual cash value (or replacement cost, if applicable). If the manufactured home has recently been purchased, use the purchase price as the base value. If the purchase price is not available, the current value from a source such as NADA, Boeckh, E2 Value, or other similar guide may be used. The value of the land is not to be considered in the value of the manufactured home.
8. **WHOLE DOLLAR PREMIUM RULE:** Each coverage premium will be rounded to the nearest whole dollar. For this purpose, an amount of fifty (50) cents or more will be rounded to the next whole dollar.
9. **POLICY TRANSFER OR ASSIGNMENT:** In the event of home title transfer, the policy may not be assigned from one insured to another person. However, subject to underwriting guidelines, a policy may be written for the new owner.
10. **POLICY EXCLUSIONS:** In addition to the exclusions that are listed in the policy, these will be added:
 

• Hazardous Substance Liability Exclusion	• Sexual Misconduct or Sexual Molestation Exclusion	• Trampoline Exclusion
• Mold Exclusion	• Swimming Pool Exclusion	• Assault and Battery Exclusion
• Specific Breed Animal Liability Exclusion		
11. **PREMIUM CALCULATION:** The Discounts that are percentage based (Example: 15%) will be totaled and the Surcharges that are percentage based will be totaled. After both criteria are totaled, the difference between the totals (Example: +15%, -20% = -5%) will be applied to the appropriate premiums. The percentage Discounts and Surcharges will be calculated before the dollar (Example: \$15) Discounts and Charges. (This includes any Deductible Options that the insured may select.) The Discounts and Charges will apply to the BASE PREMIUM.  
Base Premium is defined as the amounts of Coverage A (Manufactured Home), Coverage B (Unattached Other Structures), Coverage C (Personal Property), Coverage D (Additional Living Expense), Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) PLUS any increases in Coverages B, C, D, E & F.
12. **RELOCATION:** If the manufactured home is relocated, the General Agent must be notified within the 30 days, and premium adjusted if necessary.
13. **SCHEDULED PERSONAL PROPERTY:** This endorsement is only available for owner occupied manufactured homes used on a primary/permanent basis. Below is a listing of additional guidelines:
  - A. Scheduled personal property coverage is not in addition to the limits for Personal Property.
  - B. Scheduled Personal Property is only available for manufactured homes valued at \$7,500 or more.
  - C. We require a complete description (brand name, color, serial number, etc.) of the covered items. In addition, we require the sales receipt and/or a certified appraisal of any one item, set or collection valued at \$500 or more.
  - D. There is a maximum coverage amount of \$2,500 for any one item, \$5,000 for any one class, and \$10,000 for all classes combined. Any one item cannot be insured for an amount less than the appraised value.
  - E. Current Appraisals must accompany endorsements adding coverage.

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

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

**Additional Scheduled Personal Property Underwriting Guidelines:**

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

## PAYMENT OPTIONS

If the insured desires to pay their premium on an installment basis, American Reliable will allow a 2-payment, 4-payment, or 8-payment option to be selected. For the 2-payment option, a 50% down payment is required, plus the policy fee with the remaining balance due on Day 160. For the 4-payment option, a 25% down payment is required, plus the policy fee with the other payments due on Day 70, Day 140 and Day 210. For the 8-payment option, a 20% down payment is required, plus the policy fee with the other payments due on Day 44, Day 88, Day 132, Day 176, Day 220, Day 264, and Day 308. Each installment will include a \$6 service charge.

# MANUFACTURED HOME UNDERWRITING GUIDELINES

## UNACCEPTABLE RISKS – DO NOT BIND, DO NOT SUBMIT

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

## RISKS TO BE WRITTEN WITH NO LIABILITY COVERAGE

1. Any premises with a swimming pool or spa that is not completely fenced and not in compliance with all city and/or county ordinances. The swimming pool or spa must meet a fence minimum of four feet high with a self-latching gate, motorized pool cover or other comparable safety device that is securely fastened to the perimeter of the pool/spa thus rendering it inaccessible.
2. Applicants who own, keep, or shelter any Akita, Anatolian Shepherd, Chow, Doberman, Pit Bull, Presa Canario, Rottweiler, Wolf or Wolf hybrid, any mix of these breeds with any other breed, whether listed or not.
3. Applicants who own, keep, or shelter any animal with a previous bite history or any non-domestic animal.
4. Owner occupied risks in the name of a corporation.

## SUBMIT RISKS TO GENERAL AGENT – DO NOT BIND

1. Applicants that have had 2 or more property losses (paid or unpaid) in the past 36 months or any single fire, theft, liability or flood loss in the past 36 months. If yes, give date of loss, describe the loss and the amount paid to repair the damage.
2. Applicants that have had a manufactured home/dwelling policy cancelled or non-renewed for underwriting reasons (except age of unit) during the past 36 months.
3. Applicants that have filed for bankruptcy in the past 36 months.
4. Applicants that have been 30 days past due on mortgage payments in the last 12 months.
5. Applicants who are unemployed. (Retirees with guaranteed income and disabled persons with a consistent income are considered employed.)
6. Homes that have been uninsured for more than 30 days immediately prior to the requested effective date. (Does not apply to a new purchase)
7. Homes with more than 2 unrelated owners.
8. Homes that are built on stilts, posts or piers. Photos must be included.
9. Homes or other structures (other than porches, decks, awnings, skirting or carports) that are not factory/contractor built or two separate homes that are joined together. Photos must be included.
10. Homes equipped with a supplemental heating device that was not installed by the manufacturer or a licensed contractor. Photos and the Woodstove Inspection Report must be included.
11. Homes with 3 or more steps on any exit without a handrail. Photos must be included.
12. Homes without permanently installed steps at all entrances. Photos must be included.
13. Homes within 1,500 feet of water (river, creek or ocean) or homes located on an island or in a Special Flood Hazard Area.
14. Homes with multiple horses, livestock or farm animals on the premises.
15. Any premises with a dock, pier or boathouse. Photos must be included.
16. Any premises with 5 or more acres.
17. Homes with farming activities conducted on the premises.
18. Homes with business pursuits conducted on the premises.
19. Unattached structures that exceed 30% of the insured value of the manufactured home or \$25,000, whichever is greater.
20. Personal effects that exceed 70% of the insured value of the manufactured home or \$25,000, whichever is greater. Personal Effects Inventory must be included.

# American Reliable Insurance Company

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Scottsdale, AZ 85258-3321

A.M. Best Rated A-, Excellent

## TO REPORT A CLAIM

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

**Call: 1-800-245-1505**

**Fax: 1-800-224-4170**

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

## TO OBTAIN SUPPLIES

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