



AMERICAN SUMMIT INSURANCE COMPANY

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LOUISIANA HOMEOWNERS 8 UNDERWRITING GUIDELINES

ELIGIBILITY

Dwellings must be permanent full-time residence of the named insured. Dwellings that are vacant or unoccupied, seasonally occupied or under contract of sale(land contract) are not acceptable. Duplex, Townhouse, Condo, Row house dwellings are not eligible.

COVERAGE AVAILABLE

Coverage on the Dwelling, Personal Property, Other Structures, Loss of Use and Personal Liability is provided on form HO8. The limits are as follows:

Dwelling - \$30,000 to a maximum of \$100,000 (All Classes).

Personal Property - 40% of the dwelling value.

Theft - \$1,000 maximum.

Other Structures - 10% of the dwelling value.

Loss of Use - 10% of the dwelling value.

Personal Liability - \$25,000.

Medical Payments - \$500 per person, \$25,000 per occurrence.

Physical Damage to Property of Others - \$500.

ADDITIONAL COVERAGE

Increase CPL limit to \$50,000/\$500 \$35.00

Increase CPL limit to \$100,000/\$500 \$50.00

(Dwelling must be \$50,000 or above.)

Increase Med Pay to \$1,000 - add \$5.00

PROHIBITED BUSINESS

1. Property that is vacant, unoccupied, dilapidated or abandoned.
2. Neighborhoods with high theft exposure are not acceptable. Dwellings must be located in a stable neighborhood with good fire and police protection.
3. No coverage is available for scheduled personal property.
4. Property belonging to persons of known bad morals.
5. Dwellings that are not maintained in an insurable condition. Dwellings must show pride of ownership.
6. White Elephant - Generally defined as an older home with a great deal of square footage. These homes are very difficult to insure due to the fact a small partial loss could result in a total to the dwelling. There is also a vast difference in market value and replacement cost.
7. Homes with non-operable utilities such as natural gas, electricity and water.
8. Dwellings with more than two(2) mortgages.
9. Dwellings with aluminum or unsafe wiring.
10. Dwellings 50 years or older with heating and wiring that has not been updated.

11. Dwellings with wood burning stoves not correctly installed and that are the primary heat source.
12. Dwellings with a swimming pool or trampoline without a minimum of a four foot enclosed fence with locking gate surrounding the swimming pool or trampoline and/or yard. (**Contact Underwriter for ASLA08**)
13. Animals with a previous bite history or potentially fierce breed of dogs are **ineligible**. These breeds include, but are not limited to Doberman Pinscher, Chow, Rottweiler, Pit Bull and Wolf Hybrid. Also dwellings where the insured owns large, unusual or exotic animals. (**Contact underwriter for ASLA06 animal exclusion form**).
14. Barns and other farm outbuildings.
15. Dwellings with additions that are not professionally constructed of proper quality materials by a licensed contractor.
16. Manufactured Homes regardless of whether attached to the dwelling for the purpose of expanding the living area, or as an adjacent structure. See (the general agent's) Manufactured Home program to determine eligibility under that facility.
17. Dwellings with an unattached structure used for any purpose whatsoever other than as a private garage, or private storage facility.
18. Dwellings with any professional or business activity on the premises, regardless of the nature of the business or professional endeavor.
19. Dwellings on piers, poles, stilts, pilings or concrete blocks over three feet high, or converted to Houseboats
20. Dwellings over water (partially or totally) or on pontoons.
21. Dwellings with steps, porches (above the first floor) and balconies or decks without railing or other safeguard
22. Dwellings in known flood, wave wash, mudslide, cave-in, or brush fire areas.
23. Dwellings located on property which is an island or over water.

INSURABLE VALUE

Dwellings should be insured for Actual Cash Value (market value) but should also be valued within 80% of replacement cost. Dwellings with vast difference in market value and replacement cost are not acceptable.

***** Do not Insure for Replacement Cost*****

POLICY TERM

One year only.

MINIMUM PREMIUM

1. \$150 Annually plus policy fee and surplus lines tax.
2. No Inspection Fee.

DEDUCTIBLE

\$500 all perils / \$1,000 Wind-Hail (Territory 1, 2, and 3)
\$1,000 all perils / \$2,500 Wind-Hail (Territory 4)

CANCELLATION GUIDELINES

1. Flat cancellation will be allowed if the Policy is received in Home Office within 30 days of the Effective Date of the Policy.
2. No flat cancellation will be allowed if a Direct Notice of Cancellation is issued.
3. Evidence of cancellation must be received within 10 days from requested date of cancellation.

CLAIM PROCEDURE

Due to prompt claim acknowledgments provided by policy contract, it is necessary that all claims be reported immediately to the Home Office. Do not assign to any adjuster without prior written permission from American Summit. **The fax number for reporting claims is (254)399-0789.**

DIRECT BILLING

The full premium, or a **minimum down payment of 25%** of the pure premium plus all policy fees and taxes, must be submitted with all applications. After issuance, the policy will be billed monthly. A \$4.00 service charge is included in each monthly payment. **Do not retain agent's commission - remit FULL** down payment, or total premium. If the premium is to be paid by the Mortgagee, this must be clearly indicated on the application and the loan number must be shown. Only **"Mortgagee Billed"** applications will be accepted without premium attached.

A WORD ABOUT BINDING COVERAGE

As our agent, you are authorized to bind coverage on risks meeting the eligibility requirements defined in these guidelines and any other directives communicated to you by our company. We trust that you will exercise this authority thoughtfully, putting our corporate assets at risk just as if it were your personal assets being pledged to pay any covered losses.

When hazardous weather conditions arise, you may be approached by potential customers driven to purchase insurance by the impending danger. Just as you would never "insure a burning building," common sense and basic business ethics should keep you from writing flood or wind coverages when flood, hurricane, wildfire or tornado warnings are issued.

HURRICANE AND TROPICAL STORM BINDING RESTRICTIONS

A special Hurricane and Tropical Storm Binding Procedure automatically goes into effect when the following occurs;

1. A hurricane is between the 65 degrees West and 100 degrees West meridians and 15 degrees North and 40 degrees North Parallels, or
2. A tropical storm is between the 75 degrees West and 100 degrees West meridians and 20 degrees North and 40 degrees North parallels.

The binding restriction is as follows:

1. No New Business may be bound.
2. No coverage may be bound on existing business that has the effect of increasing coverage.
3. Renewals will be issued without increased coverage unless it can be shown the increased coverage was requested before the hurricane or tropical storm conditions arose.

WILDFIRE BINDING RESTRICTIONS

In the event of an impending Wildfire, binding authority is suspended when the impending threat is within 50 miles of the risk. Binding authority resumes when the fire is 80% contained.

FORMS

Mandatory Forms

- HO0008 - Homeowners 8 - Modified Coverage Form
- HO0135 - Special Provisions - Louisiana
- HO0426 - Limited Fungi, Wet or Dry Rot, or Bacteria Coverage
- HO0481 - Actual Cash Value Loss Settlement
- HO0496 - No Section II - Liability Coverages For Home Day Care Business
Limited Section I - Property Coverages For Home Day Care Business

Optional Endorsements

- ASLA06 - Animal Exclusion
- ASLA07 - Trampoline Exclusion
- ASLA08 - Swimming Pool, Spa and Pond Exclusion
- ASLA09 - Roof Exclusion
- ASLA10 - All Terrain Vehicle Exclusion
- ASLA11 - Theft Exclusion
- ASLA12 - Building Exclusion

ALL APPLICATIONS MUST BE RECEIVED WITHIN 5 WORKING DAYS OF THE EFFECTIVE DATE OF COVERAGE.

TERRITORY DIFINITIONS

Territory 1

Bienville, Bossier, Caddo, Claiborne, De Soto, East Carroll, Jackson, Lincoln, Madison, Morehouse, Ouachita, Red River, Richland, Union, Webster, West Carroll

Territory 2

Allen, Avoyelles, Beauregard, Caldwell, Catahoula, Concordia, East Baton Rouge, East Feliciana, Evangeline, Franklin, Grant, La Salle, Natchitoches, Pointe Coupee, Rapides, Sabine, Saint Helena, Saint Landry, Tensas, Vernon, West Baton Rouge, West Feliciana, Winn

Territory 3

Calcasieu, Iberville, Jefferson Davis,

Territory 4

Acadia, Lafayette, Saint Martin (Upper)

Territory 5

Ascension, Assumption, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, Saint Bernard, Saint Charles, Saint James, Saint Martin (lower), Saint Mary, Saint Tammany, St John the Baptist, Tangipahoa, Terrebonne, Vermillion, Washington

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