TEXAS HOMEOWNERS UNDERWRITING GUIDELINES

AVAILABLE PLANS

- Texas Homeowners Policy – Form HO-B
- Texas Homeowners Policy – HO-3 Special Package

PLAN DESCRIPTION

- ISO Homeowners 3 – Special Form and Special Provisions filed with the Texas Department of Insurance have been incorporated into our Texas Homeowners Policy – HO-3 Special Package.
- ICT – Homeowners Form B has been incorporated into our Texas Homeowners Policy – Form HO-B.
- The HO-B and HO-3 Special Package policy forms exclude mold unless the property is visibly damaged by water and exclude mold remediation. Asbestos abatement is excluded. In addition, coverage is suspended effective 30 days after the dwelling becomes vacant and bodily injury or property damage arising out of the ownership or use of a trampoline is excluded.
- Liability for a home day care business is excluded and personal watercraft coverage is limited for both HO-B and HO-3 Special Package policy forms.
- HO-B and HO-3 Special Package policy provide up to 15% (subject to a $25,000 maximum) of the Coverage A (Dwelling) amount for foundation coverage for loss caused by a leak from within a plumbing, heating, air conditioning or fire protection sprinkler system. HO-B and HO-3 Special Package policy forms also provide coverage for loss caused by water back-up and sump discharge up to $5,000.
- If a home is over 35 years old, both the HO-B and HO-3 Special Package policy forms will limit foundation coverage to $10,000.
- If a home is over 20 years old, both the HO-B and HO-3 Special Package policy forms will limit discharge of water coverage to $10,000.
- The following special limits of liability are added to the HO-B and HO-3 Special Package policy forms:
  - A special $25,000 limit of liability applies to bodily injury or property

damage caused by animals. Bodily injury or property damage caused by prohibited breeds of dogs is excluded. Prohibited breeds of dogs include but are not limited to: Prohibited breeds of dogs are the following breeds and any "crossbreeds" with these breeds: Akitas, Alaskan Malamutes, Any Wolf Breeds, Chow Chows, Doberman Pinschers, German Shepherds, Great Danes, Pit Bulls, Presa Canarios, Rottweilers, Siberian Huskies, and Staffordshire Terriers or, any dog with a prior history of aggression or biting causing bodily injury or property damage. A crossbreed is a dog that is a mixture of a prohibited breed and any other breed or type of dog.

- $2,500 for loss by theft of firearms and related equipment, such as ammunition, clips, scopes whether mounted or not, silencers, laser sights, and gun cases.
- $2,000 for any individual rug with a maximum total limit of 5% of the Coverage C limit for all rugs.
- $5,000 on personal computers (including tablets, desktops, and laptops) and related peripherals such as disk drives, printers, and commercial software caused directly or indirectly by theft or vandalism. We will not pay for other software or lost data.
- 5% of the total Coverage C amount for any one item of unscheduled personal property.
- $500 on all collections including but not limited to coins and other numismatic items, stamps and other philatelic items, comic books, baseball cards, album covers, political memorabilia, dolls, toys, and any other memorabilia or collectible. This limit applies regardless of the number of collections or collectibles.
- $2,000 for any individual work of art or antique with a maximum total limit of 5% of the Coverage C limit for all works of art and antiques.
- $1,000 for bicycles and related equipment.
- $5,000 for any individual item or set of electronic equipment caused directly or indirectly by theft or vandalism with a maximum total limit of 10% of the Coverage C limit for all electronic equipment. Electronic equipment includes, but is not limited to:

  - Televisions, audio, video and other electronic media playing and/or recording devices.
  - Audio and video media storage devices such as DVDs, records, CDs and tapes.
  - Cameras, projectors and related equipment.
  - Gaming systems including their games and accessories.
- $5,000 for loss to tools.
- $1,000 for "unmanned aircraft".

- The following additional coverages are added to the policy:
  - The HO-B policy form includes mortgage extra expense coverage and pet coverage.
  - The HO-B and HO-3 Special Package policy forms include the following additional coverages:
    - Service line coverage provides payment for loss, damage or expense arising from a service line failure.
    - Refrigerated property coverage provides up to $500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by loss of power or mechanical failure. A deductible of $100 applies.
    - Residence glass coverage provides up to $100 to repair or replace a broken glass window and door. Unscheduled glass only.

COVERAGE LIMITS

Coverage	Form	Minimum	Maximum	Included	Available
Dwelling	HO-B HO-3	N/A	$2,000,000	HO-3 and HO-B: Full water coverage automatically added to the policy for an additional premium. Applies to homes over 20 years old.	HO-3 and HO-B: Optional limited water damage coverage (with a $10,000 limitation) for a premium credit is available. Applies to homes over 20 years old.

Personal Property	HO-B HO-3	25%	75%	40% or 60% if Replacement Cost	Up to 75%
Personal Liability	HO-B HO-3	$50,000	$500,000	$25,000	Up to $500,000
Medical Payments	HO-B HO-3	$500	$5000	$500	Up to $5,000
Other Structures	HO-B HO-3			10% of Coverage A	Up to 20% with Underwriting approval
Loss of Use	HO-B HO-3			20% of Coverage A	20% of Coverage A

MATCHING COVERAGE REQUIREMENTS

Homes in Special Flood Hazard Areas (Zones A or V) must be covered by a flood insurance policy with matching building limit (or maximum available).

Policies that exclude windstorm, hurricane and hail coverage must be covered by a TWIA policy with matching building limit. A wind, hurricane and hail exclusion endorsement must be signed by all applicants in those counties. The agent must maintain the signed exclusion in his or her office.

INELIGIBLE RISKS

- Risks deemed by the company to be in poor condition, disrepair or that display a lack of maintenance
- Risks with roofs deemed by the company to be in poor condition and/or having less than 5 years life expectancy
- Roof needing repair or replacement (see age limits and Exceptions below)
- Risks under construction or major renovation
- Risks located on mountainsides, cliffs or bluffs or built on a slope of 30 degrees or greater.

- Risks with aluminum or knob and tube wiring
- Risks with a PPC >7
- Secondary or seasonal homes; homes occupied less than 9 months out of the year
- Wood, composition over wood, more than one overlay, fiber cement, mansard, flat, slate, T-locking, tar and gravel, or rolled roofs (see Exceptions below)
- Roofs with swamp cooler units on them
- Pool without locking fence
- Risks with unfenced pool or space
- Risks over water
- Unoccupied or vacant homes if unoccupied for more than 60 days
- Risks with more than 2 units
- Mobile homes or modular homes; manufactured homes; unconventional construction; kit homes; underground homes; dome; shell; log homes; unconventional parts; homes not meeting building code
- Risks with asbestos, wood shake, synthetic stucco (EIFS), or dryvit siding
- Risks with more than 50% vinyl or aluminum siding are ineligible
- Risks with an open foundation
- Multi-unit homes without adequate firewall (see below)
- Triplexes and Quad-plexes are unacceptable
- Unacceptable animals (see below and Exceptions)
- Risks on more than 5 acres (call for exceptions if no farm or ranch risk)
- Risks not in sight of another home
- Risks with business or farm exposure, including home daycare
- Risks used for assisted living, nursing home or group home facilities
- Unacceptable claim history (see below)
- Risks under contract for sale or contract for deed including owner financed.

- More than 2 mortgages
- Risks with Portable Space Heaters or Wood Burning Stoves as heat source. However, wood burning stoves as a secondary heat source will be considered; they must be professionally installed and proof must be submitted
  for Underwriter approval prior to binding
- Risks with primary heating that is not a thermostatically controlled central heating or electric heating system. (Note: A converted coal furnace, kerosene heater, electric space heater or wood/coal/pellet stove cannot be the primary source of heat.)
- No prior coverage if other than first home; coverage cancelled or non-renewed; lapse in coverage (call for exceptions)
- Risks with security bars with no quick release mechanism
- Risks with pool cages
- Risks that the company is unable to inspect
- Risks with galvanized plumbing or Polybutylene plumbing
- Raised Homes on piers or stilts
- Townhomes without adequate firewall protection
- Risks with docks that are constructed and used for purposes other than mooring a boat, including but not limited to, 2 story party docks, diving platforms or living quarters.
- Risks located in fly in – fly out / airpark communities
- Risks with trees overhanging the roof or deemed by the company to be in dangerous proximity to the home
- Dwellings that do not comply with local or state building and safety codes, ordinances, or statutes
- Detached metal buildings exceeding 700 square feet
- Risks used for renting or holding for rentals
- Risks that are not easily accessible by fire apparatus or other emergency equipment or services, due to roadway, driveway, or terrain conditions
- Any person in the household has been convicted of, or pled nolo contendere

to, for the immediate seven (7) years preceding the requested policy term, a serious crime, including but not limited to arson, a financial crime related or insurance, or other insurance-related crimes involving bodily injury or property damage that directly increases the hazard insured against

- Risks that are currently or previously purchased as a short sale or foreclosure
- Risks with wood burning hot water heaters
- Federal-Pacific, Stab-Loc, Zinsco, Challenger, or Sylvania panels; circuit breaker with less than 100 amps; or double tapped breakers

COASTAL UNDERWRITING

Homes that are located within 2,000 feet of the Gulf of Mexico or risks deemed to be highly subject to Tidal surge regardless of distance to the Gulf are ineligible.

EXCEPTIONS BY ENDORSEMENT

Exceptions may be made by excluding certain existing conditions by endorsement. Coverage cannot be bound until a signed copy of the endorsement is faxed to the Company. Exceptions by endorsement include unacceptable animals and other structures.

AGE OF HOME

Risks older than 50 years are ineligible without proof of updates.

Proof of the following updates should be provided by the insured and submitted to underwriting prior to binding coverage. We will require a 4-point inspection, and/or receipts of work completed, in addition to photos. The inspection / proof of updates should address what updates have been made and the year in which they were made. All updates/replacements should be completed within the past 10 years and should be maintained to show pride in ownership and ongoing maintenance and upkeep.

Once received, Underwriting will evaluate the photos, property inspection, the date of remodel and/or updates and entire history of the risk/insured:

1. Electrical: Installation of new approved circuit breakers, fixtures, receptacles

and replacement of wiring. Knob and tube wiring, aluminum wiring or fuses are unacceptable.

2. Heating: Installation of new heating plant including burner, boiler, fans, coupling valves, pressure relief valves, safety controls, safety switches or connectors.
3. Plumbing: Replacement of pressurized water lines, fixtures, traps, pump, holding tank & hot water heater. Polybutylene, galvanized, cast iron, PEX prior to 2000, and any outdated plumbing system are unacceptable.
4. Roof: Completely replaced with approved roof covering & flashing.

INSURANCE TO VALUE

Replacement Cost

- Homes must be insured for 100% of Replacement Cost
- Coverage A value over $1,500,000 will require underwriting approval prior to binding.

INSPECTIONS

All homes are subject to an inspection by an outside inspection service. All homes New and Renewal, may be subject to an exterior and/or interior inspection(which may include a complete Self-Driven Inspection.) Failure to comply with this inspection, including all photo requirements, may result in adverse underwriting action to include cancellation or non-renewal of the policy. At its discretion, Underwriting may pre-approve the use of an alternative home inspection method.

OCCUPANCY

The home must be occupied by the insured or the insured's immediate family. Short-term rentals, leases, or Airbnb usage are ineligible.

OWNERSHIP

Properties owned by individual trust/and or LLC are eligible, if the entity has been established for personal asset management and is solely owned by the named insured and or secondary insured.

- Underwriting approval required to bind
- Insured should be added as additional insured with additional insured endorsement.

MULTI-UNIT HOMES

Duplexes and town homes must be protected by a masonry fire wall that extends to or pierces the roof. Exceptions may be made if the whole building is insured. The number of units used when rating a town home should include the number of contiguous units in the complex. Townhomes are rated by using the number of contiguous units for the number of units.

CREDIT HISTORY

Credit history will be ordered automatically on all customers prior to binding.

Policy eligibility will not be decided solely on the basis of credit information.

Applicants with no score including no credit history or a "thin file" will be treated as Average, or Tier 29.

In instances when the applicant's credit history has been negatively affected by identity theft, temporary loss of employment, death in the family, divorce, or similar event, contact Underwriting.

CLAIMS HISTORY

Claims are evaluated both in rating and as part of the underwriting process. Claims resulting from a loss caused by natural causes will not be used as the sole criteria or in conjunction with other criteria, to non-renew, cancel, or increase the premium on a policy.

Unacceptable loss history (applicant):

- 2 or more water losses in 3 years on covered risk:
  - Appliance related water losses are eligible if loss was properly remediated, and proof of remediation is received.
    - Proof to include an inspection by a certified person knowledgeable and experienced in remediation of water damage.

- 3 or more losses in 3 years
- 2 or more fire losses in 5 years
- 2 or more theft or disappearance losses within 5 years

Call; do not bind (applicant):

- Any fire, liability, medical payments or disappearance loss within 5 years – ineligible
- 2 or more non-weather losses within 3 years - ineligible Any loss > $15,000 within 3 years – ineligible
- Any open claim – ineligible

* Except for weather claims or other claims regulation prohibits from including eligibility considerations

Call; do not bind (location):

- 2 or more water claims in 3 years – ineligible
  - Appliance-related losses are eligible if loss was properly remediated.
- 2 or more non-weather losses in 3 years – ineligible
- Any fire or flood loss within 3 years - ineligible

Note: One date of loss is defined as a single event regardless of the number of features.

Note: All prior water damage losses are evaluated in accordance with the Texas Insurance Code, and related regulations including the Texas Administrative Code. Only paid losses are included.

AGE AND TYPE OF ROOF

- Any roofs deemed by the company to be in poor condition and/or having less than 5 years life expectancy
- More than one overlay or overlays over anything but composition
- Roofs older than 15 years if windstorm is included (may be acceptable at Actual Cash Value subject to Underwriting approval).
- Roofs older than 15 years are ineligible if windstorm is included.

- Roofs older than 20 years are ineligible if windstorm is excluded.
- Roofs needing repair, regardless of age are ineligible.
- Metal: Standing Seam Only - No Corrugated Metal or Metal Shingles (See Metal roof qualifications below).
- Wood, composition over wood, fiber cement, mansard, flat, slate, T-locking, tar and gravel, or rolled roofs are ineligible
- Roofs with swamp cooler units on them are ineligible.
- Metal, Clay Tile and Bell-shaped Concrete Tile Roofs are acceptable in certain counties. The roof must be in good condition and no more than 25 years old. Roofs made of ceiling tin or any other metal not approved for roofing will not be accepted.
- Metal, Clay Tile and Bell-shaped Concrete Tile roofs are acceptable in the following counties only: Aransas, Austin, Bandera, Bastrop, Bee, Bexar, Blanco, Brazoria, Brazos, Burleson, Burnet, Caldwell, Calhoun, Colorado, Comal, Dewitt, El Paso, Fayette, Fort Bend, Galveston, Gillespie, Goliad, Gonzales, Grimes, Guadalupe, Harris, Hays, Jackson, Karnes, Kendall, Kerr, Lavaca, Lee, Llano, Matagorda, Milam, Montgomery, Nueces, Refugio, San Patricio, Travis, Victoria, Waller, Washington, Wharton, Williamson, Wilson.

Underwriting will grant an exception to any of the underwriting guidelines listed in the section if any one of the following conditions is satisfied:

- The roof is subject to the ACV method of loss settlement
- Coverage provided under the policy excludes loss caused by the windstorm peril
- Coverage provided under the policy is subject to 2% deductible

UNACCEPTABLE ANIMALS

- Saddle animals
- Farm animals
- Exotics
- Any dangerous animal such as an exotic pet
- Any dog with a prior history of aggression or biting

- Prohibited breeds of dogs are the following breeds and any "crossbreeds" with these breeds: Akitas, Alaskan Malamutes, Any Wolf Breeds, Chow Chows, Doberman Pinschers, German Shepherds, Great Danes, Pit Bulls, Presa Canarios, Rottweilers, Siberian Huskies, and Staffordshire Terriers.

  A crossbreed is a dog that is a mixture of a prohibited breed and any other breed or type of dog.

  This exclusion does not apply to an animal that is a certified service animal.

Some animals may be accepted with an Animal Exclusion Endorsement. Pit Bulls, Rottweilers, or Dogs with a bite history will not be accepted under any circumstances.

PROTECTION CLASSES

Protection Classes are updated by ISO. Call if you are aware of any change in a PPC not reflected on the website. Where split classifications are applicable, the rules are:

Miles to Fire Station	Feet to Fire Hydrant	Class
Less than 5	Less than 1,000	Lowest shown
Less than 5	More than 1,000	9
More than 5		10

CONSTRUCTION DEFINITIONS

Fiber Cement: Exterior wall is a composite material made of cement reinforced with cellulose fibers, such as Hardie® Plank or GAF® WeatherSide™.

Frame: Exterior wall is wood/combustible material or a vinyl/plastic siding.

Masonry Veneer/Masonry: Exterior wall is brick or other masonry.

Stucco: Exterior wall is stucco over frame or stucco over block.

Note: If mixed construction, the dominant (51%) type of construction is used to determine if Frame or Brick Veneer. Rate stucco as frame if applied to wood, as brick veneer if applied to masonry. Fiber cement is rated as brick veneer.

BINDING AUTHORITY

Impending Severe Weather Binding Restrictions

- Bound risks must be submitted to the Company within 72 hours.
- Binding authority may be suspended by the Company at any time.
- Binding authority is automatically suspended for any area placed under a Tornado or Severe Weather Warning or Watch by the National Weather Bureau.
- Binding is suspended in Gulf Coast first, second and third tiers whenever a Hurricane or Tropical Storm Warning has been issued by the National Weather Service for any Gulf Coast County, or when a Hurricane or Tropical Storm enters The Gulf of Mexico, or when a Hurricane or Tropical Storm is west of 80 degrees longitude and north of 20 degrees latitude.

Note: Policies may be bound with effective dates more than 10 days in the future, if previously quoted.

Earthquake Binding Restrictions

Restrictions begin with the occurrence of an earthquake or aftershock, of 5.0 Richter (or greater), and continue for a period of 72 hours for dwellings located in counties (in their entireties) within 100 miles of the epicenter.

Wildfire Binding Restrictions

All agents need to be aware of current wildfire situations and cease binding as appropriate. The restrictions apply when:

- A wildfire alert has been declared.
- An active fire line is within 15 miles of a property.
- Any area that has been designated as a pre-evacuation or mandatory evacuation zone.

Restrictions include:

- Temporary suspension on binding new business.
- Coverage changes, including but not limited to, lowering deductibles on new or existing business.

Binding authority will remain suspended until an announcement is made indicating

the restriction has been lifted.

Homes in wildfire areas may be reviewed by underwriting and inspected for defensible space. Homes are required to have adequate defensible space.

Hazard Hub score of a C, D, and F will require underwriting review prior to bind.

Underwriting at their discretion may request documentation of proof defensible space surrounding the dwelling and other structures on the property. This defensible space may include adjacent properties if they present an unreasonable risk to the insured location. Defensible space may include home hardenings such as attic vents and enclosed eaves.

Defensible space also includes:

- 5 foot zone cleared of all combustible materials including but not limited to: vegetation, ground covering, stored items (furniture, BBQ) any attached pergolas or similar should be cleared of any flammable vegetation or objects (curtains, furniture during an active event) fencing should have a non-combustible connection to the home. Gutters, eaves and roof clear of leaves and other debris, ember resistant venting
- Within 30 feet of the structure - remove flash fuels such as dead grass, small shrubs, any low-lying grass should be maintained to a height of 4 inches or less. Trim foliage around trees, keep stacked wood or other flammable materials out of this zone. Remove ladder fuels, keeping adequate distance between shrubs and other vegetation from the lowest limbs of larger trees.
- Within 30-100 ft+ from the structure. This area should be managed to reduce fire risk, including spacing of trees, and removing dead and dying vegetation. A home on a slope of 20 degrees or greater may require defensible space over 100 ft.

CANCELLATIONS

Flat cancellations after the effective date may be made within 60 days with proof of other insurance.

DISCOUNTS

- **Accredited Builder**

  An accredited builder discount may be added on homes up to 5 years old. An accredited builder is an active builder who provides a warranty to the

homeowner covering defects in workmanship or materials. Typically, these warranties are "wall-to-wall" for at least one year and will cover the foundation for up to 10 years. The builder must be active in business or has made arrangements to fulfill the terms of the warranty. This discount is for NEW CONSTRUCTION ONLY. Remodels are not eligible.

- **Advanced Shopper**

  An advanced shopper discount is automatically applied to all **new business** where a quote has been submitted in advance of the effective date. The discount is automatically applied based on the date the quote is initiated in the Porch rating system. This discount will erode over 5 terms.

- **Age of Insured**

  An age of insured discount applies when the named insured is 60 years of age or older.

- **Claim Free**

  A claim free discount applies if there has not been a chargeable loss in the most recent 3 years. Weather-related, appliance-related, and claims closed without payment will not be considered.

- **Companion Product**

  A companion product discount may be applied at the Agent's discretion for cross-selling auto, flood, other residential, etc.

- **Employee**

  An employee discount may be applied for eligible persons that are employees of Porch Group or its subsidiaries.

- **Hail Resistant Roof**

  Any non-wood material, except Synthetic Polymer, earning an impact rating of Class 3 or 4 per Underwriters Laboratory Standard 2218.

  Documentation should be retained in the agent's file.

  If a policy is endorsed with the Windstorm, Hurricane, and Hail Exclusion Agreement, it is not eligible for the discount.

- **Highest Level of Education**

  A discount may apply based on the highest level of education attained by the

policyholder.

- **Homeowners Association**

  A discount may apply to an eligible policy when the dwelling is located in a qualifying Homeowners Association, subject to the following eligibility:

  The dwelling/policyholder must meet the following conditions:

  1. Belong to a homeowners association;
  2. Dwelling is considered the primary residence (the home must be occupied by the insured or the insured's immediate family at least 9 months out of the year).

  The homeowners association must meet the following conditions:

  1. Owns real property in common for use by all association members;
  2. Charges a fee for membership;
  3. Has written authority to control and enforce property rights of association members such as restrictions on alterations, additions or remodeling of the dwellings; restrictions on the use of the dwelling for business purposes; minimum requirements on property maintenance and upkeep.

- **Monitored Alarm or Gated Community**

  A monitored alarm or gated community discount is available if the insured has a central alarm for burglary, central alarm for fire, or resides in a gated community. Alarms must be centrally monitored. It is not necessary to send anything to the company as support, but the agent must have evidence on file to show the customer has such a system in place. A local permit, invoice or anything reasonable will do. Only one discount is available even if the home has both an alarm and is located in a gated community.

- **Mortgage Free**

  A mortgage free discount may be added to policies where there is no presence of any mortgage listed on the policy.

- **New Purchase**

  A new purchase discount is available for New Purchases only (Purchase date must be within 90 days of the policy effective date). It is not available for refinances, ownership transfers among family members, conversion from

contract of sale or deed or purchase of a bank owned foreclosure. The idea is that the property is being inspected, cleaned up and updated for the purchaser and is therefore a better risk. The discount will erode over 3 years.

- **New Roof**

  This discount is available on homes older than 9 years if a new roof (not an overlay) has been installed and is in undamaged condition. Age of roof is determined by subtracting the calendar year in which the roof was installed from the calendar year during which the policy being rated becomes effective.

  The following questions must be answered prior to binding:

  - Date of installation MM/YY
  - Was the entire roof replaced?
  - Name and phone # of contractor
  - Has there been any damage since installation?
  - Type of roof materials, including manufacturer and shingle description if available

  Acceptable documentation for a New Roof Discount: A paid, dated receipt from a professional roofing company or a Sellers Disclosure on a new purchase.

  Documentation should be retained in the agent's file.

- **Porch Affinity**

  A Porch affinity discount may apply if a policyholder belongs to an identified affinity group, which is limited to companies affiliated with Porch Group.

- **Recent Inspection**

  A discount applies for homes with an inspection completed within 3 years of policy effective date by a licensed inspector or inspection company. Agent must receive and keep on file an updated inspection report completed by a licensed inspector or inspection company every 3 years for the policy to maintain discount.

- **Smart Home**

  A smart home discount is available if the insured has a smart home protection system that includes alarms, sensors, or security systems that connect by broadband, wireless or cellular technology that alerts the insured on their mobile device of the event via email, text message or dedicated application.

This discount may be combined with Monitored Fire, Monitored Burglary and Gated Community.

- **VA Loan**

  A VA Loan discount is available for a home purchased with a VA loan.

- **Welcome**

  A welcome discount is available for the first two policy periods if an insured had a prior policy with an approved insurance carrier.

MANDATORY ENDORSMENTS

Animal Liability Exclusion: Form PIRE.EXA

This exclusion is added when a potentially dangerous animal resides on the residence premises with insured(s) signature. ***This endorsement applies to HO- B and HO-3 Special Package policy forms.***

Cosmetic Damage Hail Loss Limitation Endorsement: Forms PIRE.TX.HO3.CLB and PIRE.HOB.CLB

This endorsement limits coverage for hail damage when the damage consists of dents, scratches, nicks, marring, pitting or other superficial damage to any exterior surfaces of the property that alters the appearance of the Dwelling or Other Structure(s), but such damage does not prevent the property from functioning according to its intended purpose, and does not fail to prevent the entrance of the elements to the interior of the property immediately or over time, to the same extent as it did before the damage occurred. We will pay the lowest of the cost of repairing or replacing the damaged portion of the property; or 2% of the amount of insurance provided under Coverage A (Dwelling). ***This endorsement applies to HO- B and HO-3 Special Package policy forms.***

Functional Replacement Cost Loss Settlement: Forms PIRE.TX.HO3.FRCLS and PIRE.HOB.FRCLS

This endorsement applies to policies insuring dwellings built prior to 1960. Homes with Functional Replacement Cost Loss Settlement are not eligible for Increased Replacement Cost on the dwelling. ***This endorsement applies to HO- B and HO-3 Special Package policy forms.***

Home-Sharing Host Activities Amendatory Endorsement: Forms PIRE.HOB.HHAA and PIRE.HO3.HHAA

This endorsement amends certain property and liability coverage provisions with respect to home- sharing exposures. ***This endorsement applies to HO-B and HO-3 Special Package policy forms.***

Roof Systems Payment Schedule Limited Loss Settlement for Windstorm or Hail Losses – Texas: Forms PIRE.TX.HO3.RSP and PIRE.HOB.RSP

This endorsement revises the loss settlement provisions to pay a percentage of the cost to repair or replace the damaged or destroyed parts of the roof system(s) based on the Roof Systems Depreciation Schedule.

This endorsement is optional for roofs that are 10 years or newer.

Applies to HO-B and HO-3 Special Package policy forms.

The default age of the roof is equal to the age of the dwelling. To qualify an installed roof for a more recent age, the roof must have been totally replaced by a qualified contractor (licensed where required). Partial replacement or overlays of roof surfacing materials will not qualify. Acceptable documentation to establish a total roof replacement must clearly identify the property address and includes any of the following:

- Paid, dated receipt showing a roof replacement from a professional roofing company
- Seller's Disclosure on a new purchase
- Permits showing a roof replacement
- Inspection report for a home purchase showing the estimated year of roof replacement
- Roofer's written opinion that states the approximate roof age and that the roof is in "good" or better condition

Similar documentation may be submitted to underwriting for approval.

Specified Building Exclusion Endorsement: Form PIRE.EXB

Coverage may be excluded for other structures located on the residence premises with insured(s) signature. ***This endorsement applies to HO-B and HO-3 Special Package policy forms.***

Water Damage Coverage: Forms PIRE.HOB.LWD and PIRE.HO3.LWD

If the home is 21 years of age and older at new business and upon renewal, an additional premium charge will automatically be added to the policy. Should the insured elect reduced water coverage, the additional premium charge will be credited back to the policy and the **Limited Water Damage Coverage Endorsement (PIRE.HOB.LWD or PIRE.HO3.LWD)** will apply. The limit of liability for all covered property under the endorsement is $10,000. ***This endorsement applies to HO-B and HO-3 Special Package policy forms.***

OPTIONAL ENDORSEMENTS

Optional coverages not applied at new issuance may be available for endorsement upon renewal or underwriting approval.

Constant or Repeated Seepage Coverage: Form PIRE.HO3.CSC

Provides coverage for loss caused by the constant or repeated seepage or leakage of water or steam. If the home is 21 years old or older, then insureds must have full water damage coverage. ***This endorsement is available on HO-3 Special Package policy form only.***

Equipment Breakdown Coverage: Forms PIRE.HOB.EBC and PIRE.HO3.EBC

Provides additional coverage for loss caused by or resulting from a "breakdown" to covered equipment. Can only be added at new business or upon renewal, not mid-term. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

Full Liability Limits for Covered Animals: Form PIRE.FAL

Increases liability for otherwise covered animals to the limit of liability shown on the declaration page. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

NOTE: Prohibited breeds will still be excluded with this form.

Homeowners Amendatory Endorsement Coverage Extension: Forms PIRE.HOB.CE and PIRE.HO3.CE

This endorsement is available on HO-B and HO-3 Special Package policy forms.

- Includes additional coverages and increases some coverage limits.

- Personal Injury Liability, Similar to HO-201, but without wrongful eviction.
- Lock Replacement Coverage if keys are stolen, up to $500. No deductible.
- Unauthorized use of Bank Transfer Cards limit increased to $2,500.
- Bullion and Valuable Papers limit is increased to $2,500.
- Jewelry/ Watches/Furs limit is increased to $1,500.
- Refrigerated Products broadened to include any loss of power not under control of insured. No deductible.
- Loss Assessment up to $1,000. $250 deductible.
- Reward Reimbursement up to $1,000.
- Fire Department Service Charge up to $1,000. No deductible.
- Trial and Investigation expense reimbursement increased to $250 a day.

Identity Theft Coverage: Form PIRE.IDT

Provides cash reimbursement for specified expenses incurred as the result if identity fraud. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

Increased Limit on Jewelry, Watches and Furs: Form PIRE.JWF

Unscheduled (only) coverage can be added in increments of $1,000 up to a maximum of $5,000. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

Increased Replacement Cost on Dwelling: Forms PIRE.HOB.IRC and PIRE.HO3.IRC

This endorsement is to allow room for unforeseen increases in construction costs.

It provides up to an additional 25% of Coverage A (dwelling) limit in the event of a large loss where the replacement cost exceeds the Coverage A limit purchased, as shown on the declarations page.

Increased costs due to ordinance or law changes are not included. Further, if the increased cost is the result of improvements, the insured must have notified the Company when improvements greater than $10,000 have been made. (In those instances, Underwriting may ask that Coverage A be increased.)

This endorsement is available on HO-B and HO-3 Special Package policy forms.

Inland Flood Coverage: Forms PIRE.HOB.IFC and PIRE.TX.HO3.IFC

This endorsement provides payment for loss or damages resulting from flooding.

Eligibility:

1. Single & Multiple Family Dwellings (1 to 4 units in a condo) are eligible. Mobile homes are ineligible.
2. Policyholders with residence premises located in or within 25 meters of a Special Flood Hazard Areas (SFHA), the FEMA-identified high-risk flood areas where flood insurance is mandatory, are ineligible for coverage. The SFHAs are shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.
3. Locations with a SLOSH (Sea, Lake and Overland Surges from Hurricanes) score greater than 0 are ineligible. SLOSH is determined by the National Weather Service.
4. Properties that have had two or more flood loss in the prior 5 years are ineligible for the inland flood coverage.
5. Properties located in Tier 1 Wind Counties are ineligible.

Coverage not applied at new issuance may be available for endorsement only upon renewal, not mid-term. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

Mortgage Extra Expense Coverage: Form PIRE.HO3.MEEC

Provides reimbursement for the increased monthly mortgage expense if a covered total loss occurs to the residence premises. Coverage is limited to the extra expense of the insured's first mortgage on the residence premises.

Reimbursement is limited to $250 a month up to a total reimbursement of $10,000. Payment will be made on a semi-annual basis for up to a total of four years or until the insured no longer occupy the replacement premises, whichever comes first. In addition, provide reimbursement for mortgage acquisition costs incurred from the construction of a replacement dwelling at the same location, for up to a maximum of $2,000. ***This endorsement is available on HO-3 Special Package policy form only.***

Owned Motorized Golf Cart Physical Loss Endorsement: Forms PIRE.HOB.OMGC and PIRE.OMGC

Coverage Description:

The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured. Also covered, for an amount equal to 10% of the limit of the highest scheduled cart, are accessories, equipment or parts designed or made solely for the cart that are not permanently installed provided such property is at an insured's residence or in or upon the cart off the insured's residence at the time of loss. Coverage for loss caused by collision is optional and only applies if declared on the schedule of the endorsement.

Eligibility:

To be eligible for coverage, the motorized golf cart shall be of the type designed to carry up to four people on a golf course for the purpose of playing golf and shall not have been built, or modified after manufacture, to exceed a speed of 25 m.p.h. on level ground. Read the endorsement for all conditions of coverage. Limit

of Liability:

The limit of liability shall be selected by the insured. However, that limit should be representative of the actual cash value of the motorized golf cart including any permanently installed accessories, etc.

Deductible:

A deductible amount of $250 applies separately to each involved motorized golf cart and, separately to Section I – Property Coverages if not in or upon a motorized golf cart at the time of loss. The $250 deductible replaces any other deductible in the policy with respect to property covered under the endorsement.

Note: The Make, Model and Serial or Motor Number must be included on the application along with the current value of the motorized golf cart. The value should be representative of the purchase price of the motorized golf cart or, if not a recent purchase, the current retail value.

Rate is per $500 of the current value of the motorized golf cart. Minimum Golf Cart

Value: $2,500

Maximum Golf Cart Value: $10,000

This endorsement is available on HO-B and HO-3 Special Package policy forms.

Personal Property Replacement Cost Loss Settlement - Texas: Forms PIRE.TX.HO3.PPRC and PIRE.HOB.PPRC

Provides for settlement of losses for contents coverage on a replacement cost basis. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

Pet Coverage Endorsement: Form PIRE.HO3.PC

This endorsement provides up to $500 for the kenneling, veterinary care, burial, disposal, or replacement of household pets owned or kept by you that are injured or die resulting from any of the following covered losses in Section I – Property Coverage that occurs on the residence premises: Fire and Lightning; Explosion; Smoke; Windstorm or Hail; Vehicles and Aircraft; and Falling Objects. The total limit of $500 is the most we will pay for any one covered loss regardless of the number of covered "Household Pet(s)" injured or killed. ***This endorsement is available on HO-3 Special Package policy form only.***

Scheduled Personal Property: Form PIRE.SPP

May cover antiques, bicycles, cameras and projection equipment, coins, fine arts, fine arts with breakage, furs, golfer's equipment, jewelry, musical instruments (non-professional), other sports equipment, silverware, stamps, miscellaneous personal property. Maximum schedule is $50,000. Intentional acts are excluded. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***

Underwriting guidelines include:

- All items over $1,000 require a current appraisal & photo regardless of the age of the item. Current appraisal/photo must be less than 3 years old. A bill of sale/descriptive receipt is acceptable for all items less than 1 year old and under $1,000.
- Call; do not bind if individual item is more than $5,000 or aggregate of items is more than $20,000
- All risk with SPP are required to have a central alarm
- Call; do not bind if territory is 081-107
- All items submitted are subject to underwriting approval

Solar Panel Windstorm or Hail Property Coverage: Forms PIRE.HOB.SPC and PIRE.HO3.SPC

Provides windstorm or hail damages to solar panels: solar water heating systems including solar panel, pipes supplying and returning water to solar panel, and equipment or devices controlling solar water heating systems. Can only be added at new business or upon renewal, not mid-term unless a new purchase or lease. ***This endorsement is available on the HO-B and HO-3 Special Package policy forms only.***

Special Personal Property Coverage: Forms PIRE.HOB.SPPC and PIRE.HO3.SPPC

This endorsement broadens Contents Coverage (Coverage C) to include additional risks of physical loss (with certain exceptions). ***This endorsement is available on the HO-B and HO-3 Special Package policy forms only.***

Supplemental Loss Assessment Coverage: Form PIRE.SLAC

This endorsement provides increased coverage for assessments relating to the residence premises. The basic policy includes $1,000 coverage. ***This endorsement is available on HO-3 Special Package form only.***

Water Back-Up and Sump Discharge or Overflow Coverage: Forms PIRE.HOB.WBSD and Forms PIRE.HO3.WBSD

Provides coverage for loss resulting from water which backs up through sewers or drains or which overflows from the sump. This endorsement will allow water backup coverage to be increased from $5,000 (automatically included with the policy) up to $25,000. The applicable deductible is $1,000. ***This endorsement is available on HO-B and HO-3 Special Package policy forms.***