

Orion180 Insurance Services  
Homeowners HO-3  
Georgia



Georgia  
Admitted (Inland)



Homeowners Insurance

# Agent Reference Guide

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i. **Siding.** Wood shake siding if less than 20% of the homes siding.

j. **Plumbing.**

1) Type & Age of plumbing.

a. Homes with Galvanized, Cast Iron, PEX (prior to 2006) or Polybutylene plumbing as well as homes with a claim within the prior three years will have Limited Water Damage in the amount of \$10,000 per policy period.

2) Water Heater

a.) A tankless water heater.

b.) A water heater, not located in the attic

k. **Foundations.**

1) **Crawl space.** A crawl space foundation is a type of foundation that elevates the home from the ground, creating a space between the ground and the first floor of the home. It is often used in areas where the soil is stable or where a traditional foundation is not ideal or feasible. It can have benefits for drainage, air quality, and access to utilities

a) Dwellings with crawl space 3-foot or less in height are acceptable.

b) Crawl Space must be fully enclosed on all sides with a permanent material like block, brick, siding, etc.

c) Crawl Space must have adequate access and be adequately vented.

2) **Elevated home.** Homes on stilts, piers or pilings if no portion of the dwelling is located above a body of water or wetland (e.g., swamp, marsh, bog).

l. **Driveway access to home.** Homes must have a dedicated, improved driveway, such as paved, gravel, etc.

m. **Condition and care.** Homes must be properly maintained, in sound condition and exhibit pride of ownership. The home cannot be in poor condition.

n. **Homes with Renewable energy system.** Homes with renewable energy systems are eligible. However, renewable energy systems that produce energy from renewable energy technologies are excluded from coverage. These include solar (photovoltaic) panels, wind turbines, geothermal heat pumps, micro hydropower systems, and rainwater catchment systems.

2. **Ineligible risks.** The following risks are ineligible for Orion180 insurance.

a. **Prior loss history.**

1) More than 2 losses in the past 3 years.

2) More than 1 liability loss, 1 fire loss or 2 property losses in the past 3 years.

3) Risks with open, prior claims.

b. **Criminal history.** During the last 5 years, insured(s) have been indicted for, or convicted of, any degree of crime of fraud, bribery, arson, or any other arson-related crime.

c. **Occupancy.**

1) Single family dwelling that is:

a) Occupied by more than 1 family; and/or

b) Occupied by a roomer or boarder for longer than thirty (30) consecutive days.

2) A 2-, 3-, or 4-family dwelling that is occupied:

a) By more than one (1) family in an individual family unit; and/or

b) By a roomer or boarder for longer than thirty (30) consecutive days..

3) Any rental exposure.

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- 4) Any dwelling that has been vacant or unoccupied for more than sixty (60) days. A vacant dwelling is defined as a dwelling for which there are no residents or personal property in the building or insufficient personal property in it to occupy it as a residence.
- d. **Finances.** Homes with three (3) or more mortgages, in foreclosure, or more than ninety (90) days past due on a mortgage.
- e. **Ownership.** Properties deeded to or owned by a corporation, limited liability company (LLC), partnership, limited liability partnership (LLP), estate, association, or any other business entity.
- f. **Commercial exposure.** Homes with commercial exposure(s) within three hundred (300) feet of their property line(s).
- g. **Construction.**
- 1) Dwellings being constructed.
  - 2) Dwellings undergoing complete or major renovation or extensive remodeling that causes the home to be uninhabitable.
  - 3) Dwellings originally designed or constructed for non-habitational purposes.
  - 4) Dwellings not constructed by licensed contractors or constructed by the applicant or someone other than a licensed contractor, including but not limited to new build construction, upgrades, or remodels.
  - 5) Log home, mobile home, manufactured home, trailer home, house trailer, or homes of unconventional construction, including but not limited to do-it-yourself, dome, shell, or homes not meeting building codes. (modular wood construction homes are eligible).
- h. **Roof.**
- 1) Homes with a roof covering of T-lock shingles or an overlay roof (i.e., asphalt, fiberglass or composition shingles over wood shakes or wood shingles).
  - 2) Tin or Corrugated
  - 3) Flat Roofs (other than poured reinforced concrete)
- i. **Siding.** Homes with wood shake (covering more than 20% of all siding), Masonite, asbestos, EIFS (Exterior Insulation Finish System), or Dryvit Stucco siding.
- j. **Acreage.** Dwellings located on more than 5 acres, unless in a Planned Community and on no more than 10 acres.
- k. **For sale.** Dwellings intended to be for sale, on or after the policy effective date:
- a. Dwelling must be occupied while for sale.
  - b. If the dwelling is unoccupied or vacant for more than 30 days, it is ineligible for coverage. This timeframe may be extended, at Orion180's discretion, pending prior approval by underwriting. Prerequisites for an exception are:
    - i. Someone is routinely (i.e., at least weekly) checking the property; and
    1. The property is being well maintained.
- l. **Location.**
- 1) Dwellings in Protection Class 10.
  - 2) Dwellings of historical significance, located in historic districts.
  - 3) Adjacent commercial exposure increases the likelihood of loss to the insured location.
  - 4) Dwellings subject to landslide, mudslide, brushfire, or built on a hillside, or terrain with more than 30 degrees slope, are cantilevered or built partially or entirely over water.
  - 5) Dwellings located in a binding-restricted area due to a current weather event or catastrophe.
- m. **Animals.** Farm animals, livestock or farming exposure

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**3. Ineligible conditions.** The following conditions are ineligible for Orion180 insurance.

**a. Existing damage.** Risks that have damage to the home or property including, but not limited to:

- 1) Any wear and tear, damage, or deterioration that could increase the potential for loss.
- 2) Roof deterioration, damage, lifting/curling/missing shingles, excessive or faulty patched areas, or having less than 5 years life expectancy.
- 3) Siding deterioration, damage, or that is missing.
- 4) Peeling paint or excessive wear.
- 5) Damaged or deteriorating detached structures including garages, sheds, barns, fences, pools, trampolines, tree houses, skate ramps or any other dilapidated or dangerous structure that could increase the potential for loss.
- 6) Gutters that are damaged, falling, or full of debris
- 7) Foundations that are cracked, crumbling or damaged.
- 8) Driveways, walkways, or stairs that are cracked, crumbling, or damaged, which create a hazardous condition.
- 9) Soffit, fascia, or wood trim that is damaged, rotted, or deteriorating.
- 10) Broken/damaged windows or doors.
- 11) Risks with unfinished repairs/replacements due to prior losses.

**b. Electrical, HVAC (heating, ventilation, and air conditioning), and plumbing systems.**

- 1) That do not meet code and are not in proper working condition.
- 2) Knob and tube wiring.
- 3) Aluminum wiring.
- 4) Unsafe electrical panels, including but not limited to:
  - a. Fuse box
  - b. Double-tapped wires
  - c. Federal Pacific Electrical (FPE)

**c. Safety and security.** Dwellings with burglar bars installed on windows that have no inside release.

**d. Property use.**

- 1) Any business operation on the premises open to the public or causing foot traffic, including but not limited to farming, daycare, or childcare.
- 2) Farming or ranching operations.

**e. Liability exposures.**

- 1) Excessive or unusual liability exposures including, but not limited to jet skis and skateboard/bicycle ramps.
- 2) Stairs, porches, or decks over 3 feet in height without a properly installed railing.
- 3) Doors to nowhere.
- 4) Empty pools (unless securely covered) or pools, hot tubs or spas not maintained and in working condition.
- 5) Animals with a bite history or have caused bodily injury to any person or exhibited aggressive behavior towards people.

**f. Yard.**

- 1) Excessive yard debris including wood piles, brush, materials, or inoperable vehicles.
- 2) Dead or dying trees, trees too close in proximity to the home, or overhanging the home.

**g. Inspection.** Does not complete a mobile self-inspection of the property within 30 days for primary residence (or 40 days for secondary or seasonal residence) of the policy's effective date, if required to do so.

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**h. Swimming pools.**

Without a minimum four-foot fence or approved alternative enclosure and/or with a slide or diving board present in the pool area are ineligible for the swimming pool liability buyback.

**i. Water Heaters.** Located in the attic. (Does not apply to tankless water heaters.)

## GENERAL RULES

### 1. INTRODUCTION

The Homeowners Policy Program provides property and liability coverages using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of the homeowners policy.

The rules, rates, forms and endorsements of Orion180 Select Insurance Company shall govern in all cases not specifically provided for in this manual.

#### COMPANY DEVIATION

All rules of this manual are applicable to the Company. Refer to the Rate Manual for all applicable factors.

#### GENERAL

Underwritten by Orion180 Select Insurance Company.

### 2. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The base coverage limits included are as follows:

Section I – Property Coverages	HO-3
Coverage A – Dwelling Minimum Limit	\$200,000 - \$1,000,000/ TIV \$2,000,000
Coverage B – Other Structures	0%-20% of Limit on Dwelling
Coverage C – Personal Property	5%-70 of Limit on Dwelling
Coverage D – Loss of Use	0%-20% of Limit on Dwelling

Section II – Liability Coverages	HO-3
Coverage E – Personal Liability	\$0/\$100,000/\$300,000/\$500,000 Each
Coverage F – Medical Payments to Others	\$1,000/\$2,000/\$5,000 Each Person

B. Limits of liability for Coverage B, Coverage C and Coverage D of Section I, and E and F of Section II may be changed. If Coverage E is excluded, Coverage F is not available. The new total limit of liability will be shown in the Declarations.

### 3. DESCRIPTION OF COVERAGES

The following is a general description of the coverages provided by the individual homeowners policy form. The policy should be consulted for exact contract conditions.

A. Section I – Property Coverages

Perils Insured Against

- Coverage A – Dwelling
- Coverage B – Other Structures
- Coverage C – Personal Property



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- Coverage D – Loss of Use

Form HO3 Special Form: Covers Dwelling, Other Structures, and Loss of Use against risks of physical loss, with certain exceptions. Personal Property is covered against loss by:

- Accidental discharge or overflow of water or steam
- Aircraft
- Falling objects
- Fire or lightning
- Freezing
- Explosion
- Riot or civil commotion
- Smoke
- Sudden and accidental damage from electrical current
- Sudden and accidental tearing apart of a heating system or appliance
- Theft
- Vandalism or malicious mischief
- Vehicles
- Weight of ice, snow, or sleet
- Windstorm or hail (unless excluded)

The homeowners policy is written for a period of twelve (12) months and may be continued for successive policy periods based upon the premiums, forms, and endorsements then in effect for the Company.

**B. Section II – Liability Coverages**

Coverage E – Personal Liability: Covers payment on behalf of any insured of all sums for which the insured becomes legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

Coverage F – Medical Payments to Others: Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

#### **4. ENDORSEMENTS**

An endorsement is any change to an existing policy. These policy modifications can take the form of additions, deletions, or substitutions. The information below applies to mid-term endorsements.

- A. All changes requiring premium adjustments will be computed pro rata.
- B. All endorsements will be made using the rules, rates and territorial definitions that were used when the policy was initially issued, for new business, or renewed, for renewal business.

#### **5. CHANGES OR CANCELLATIONS**

- A. If insurance is increased, cancelled, or reduced, the additional or returned premium shall be calculated on a pro rata basis for the length of time the policy or coverage was in force. Earned premium will be calculated on a daily basis.

Cancellations will print with the effective time of 12:01AM on the cancellation date.

- B. It shall not be permissible to cancel any of the mandatory coverage in the policy unless the entire policy is cancelled.

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**BILLING**

**1. POLICY PERIOD**

The homeowners policy is written for a period of twelve (12) months and may be continued for successive policy periods based upon the premiums, forms, and endorsements then in effect for the Company.

**2. POLICY AND INSTALLMENT FEES**

NSF Fee \$20.00

Reinstatement Fee/Lapse Fee \$10.00

Late Fee \$10.00

Inspection Fee \$50.00

Installment Fee \$10.00

**NOTE:** Installment fees are fully earned as they are billed with each installment. The installment fee will not be charged on the down payment or the initial payment of a renewal.

**3. INSTALLMENT PLANS**

The initial premium installment will be due on the effective date of the policy subject to the down payment requirement. Any remaining balance may be paid on an installment basis as follows:

**4. PAYMENT OPTIONS**

Payment Plan	Down Payment	Installment
Full Pay	100%	
2 Pay	50%	1 @ 50%
4 Pay	25%	3 @ 25%
Monthly Pay	18.00%	9@ 9.1%
Mortgagee Billed	Based on Mortgagee Billing	

**5. RENEWAL PAYMENT**

Renewal payments are due by 12:01AM on the policy renewal date or the policy will expire at such time. In the event payment is received after the policy renewal date, reinstatement may be considered. Reinstatement will result in a lapse in coverage and re-issuance of the policy with a short-term effective date.

## **PREMIUM DETERMINATION**

### **1. PREMIUM CALCULATION**

Premiums are developed from statewide premium for certain, individual perils. Each base premium is then multiplied by factors, resulting in a premium for that peril that reflects the characteristics of the specific exposure. After all factors have been applied, all peril premiums are added together to produce the Combined Peril Premium. The Total Policy Premium is determined by adding any premiums for additional coverages and endorsements that are not rated in the peril premiums to the Combined Peril Premium.

### **2. ROUNDING**

- A. Premium calculations are to be rounded to the nearest whole dollar following the application of each rating factor. Amounts of \$0.50 or more will be increased.
- B. This procedure shall also apply to all interim premium adjustments, including endorsements or cancellations.

### **3. MINIMUM PREMIUM**

A minimum \$200 annual written premium is charged for each policy. This will include all chargeable endorsements or coverages.

### **4. WHOLE DOLLAR PREMIUM**

All premiums shown on the policy and endorsements will be rounded to the nearest whole dollar. A premium of fifty cents (\$0.50) or more will be rounded to the next higher whole dollar.

### **5. POLICY FEE**

All policies will be charged a policy fee at new business and renewal. This fee is fully earned upon receipt and will not be returned if the policy is canceled after the policy is issued. See rate pages for the policy fee amount.

## RATING RULES

### 1. BASE RATE

This is the starting point for the rating, which is determined by form and by peril.

### 2. TERRITORY FACTOR

The Territory Pages contain the definition and code for each territory.

- A. Policies are rated based on the territory for the insured location. For Hurricane peril, the construction type is also considered.
- B. Territories are defined based on zip code and census block. Zip code boundaries are occasionally changed. For example, a new zip code may be created. If the zip code for an address has changed since the zip code boundary definitions, the territory will be determined based on the boundary previously defined for the address using the zip code. For an existing policy whose zip code is redefined, the territory assigned will not change, unless the Territory Pages have been revised.
- C. ZIP codes defined by the USPS as postal boxes will be classified as territory code "default" (0000) or ZIP codes that cannot be identified will be classified using closest neighboring zip code.

### 3. TIER FACTOR

The Tier Score is determined by peril from the following table:

- Insurance Score Band Factor

The Tier Score is then used to look up the Tier. The Tier is used to look up a factor on the Tier Factor table to be used in the rating algorithm.

### 4. PROTECTION CLASSIFICATION

The Protection Classification listings in the ISO Public Protection Classification Location database apply to risks insured under homeowners program policies.

- A. The Protection Classification indicated applies in a municipality or classified area where a single classification of fire protection is available (8, 7, 6, etc.).
- B. In a classification area where two or more classifications are shown (for example, 6/6X), the classification is determined as follows:

Distance from a Recognized Responding Fire Station	Class
a)	
b) 5 road miles or less with a recognized water source within 1,000 feet	*
c) 5 road miles or less with a recognized water source beyond 1,000 feet	**
d) Water 10: 1. More than 5 but less than or equal to 7 miles with a recognized water source within 1,000 feet 2. More than 5 but less than or equal to 7 miles and a footnote indicates there is an alternate creditable water supply	10W
* First Public Protection Class (e.g. 6/6X, use Class 6)	
** Second Public Protection Class (e.g. 6/6X...use Class 6X)	

- C. All other properties are Protection Classification 10.

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- D. Proprietary (Subscription) Type Fire Departments will be indicated in the Public
- E. Protection Classification retrieved from the database. Class 10 applies to properties that are not subscribers.

## 5. CONSTRUCTION TYPE

- A. Frame: Exterior wall of wood or other combustible construction, including wood ironclad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.
  - Stucco on Frame
  - < 67% Brick Veneer
  - Aluminum Siding
  - Clapboard Siding
  - Vinyl Siding
  - Wood Siding
  - Stone on Frame
  - Cement Fiber Shingles
- B. Masonry: 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).
  - >67% Brick Veneer
  - Solid Brick
  - Solid Stone
- C. Concrete Block
- D. Steel Siding

## 6. NUMBER OF FAMILIES

This measures the number of living units within the insured property's firewall unit.

- A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.
- B. Separate Building
  - a. Buildings which are separated by space shall be considered separate buildings.
  - b. Buildings or sections of buildings (e.g. rowhouse, townhouse) which are separated by:
    - 6 inch reinforced concrete or an 8 inch masonry party wall; or
    - A documented minimum two-hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the inner side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

## 7. DEDUCTIBLES

All homeowners policies are subject to a base deductible applicable to loss from all Section I perils.

### A. All Peril Deductible (All Forms)

The homeowners policy may include any deductible option listed below.  
\$1,000, \$2,500, \$5,000, \$10,000, \$25,000, \$50,000.

## 8. AGE OF HOME

This is the age of the structure in years. The formula for determining the age of home is:

$$(\text{Effective Policy Year} - \text{Year Built}) + 1 = \text{Age of Home}$$

## 9. AGE OF ROOF

This is the age of the roof in years. The formula for determining the age of roof is:

$$(\text{Effective Policy Year} - \text{Year Built}) + 1 = \text{Age of Roof}$$

## 10. PROTECTION DEVICES (FIRE & THEFT)

The following are considered protection devices:

### A. FIRE

- Professionally Monitored Fire Alarm\*
- Fire Extinguisher
- Smoke Alarm
- Full Sprinkler System

\* Professionally Monitored: alerts the designated security company or fire station when an event occurs.

### B. THEFT

- Professionally Monitored Theft Alarm\*
- Dead Bolts
- Secured Community

\* Professionally Monitored: alerts the designated security company or police department when an event occurs.

## 11. WIND PREVENTION

This factor is applied when storm shutters are present.

## 12. WATER PREVENTION

The following are considered water protection devices:

- A. Single Point Water Leak Detection\*
- B. Whole Home Water Flow Detection\*\*
- C. Water Flow Detection and Shutoff\*\*\*

\* Single Point Water Leak Detection: is a single-point water device that alerts the customer and/or the designated security company when an event occurs.

\*\* Whole Home Water Flow Detection: is a whole-home water device that alerts the customer and/or the designated security company when an event occurs.

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\*\*\* Water Flow Detection and Shutoff: is a single-point or whole-whole water device that alerts the customer and/or the designated security company, and automatically shuts off the corresponding water valve.

### 13. SECONDARY OR SEASONAL RESIDENCES

- A. Secondary Home: Applies when the insured owns a primary residence elsewhere.
- B. Seasonal Home: A secondary home used as a residence only during certain parts of the year and is unoccupied three or more consecutive months during the balance of the year.
- C. Same or Other State: Homeowners coverage on a secondary or seasonal residence premises shall be provided under a separate policy. All the rules of this manual shall apply. However, when Company provides coverage on both the primary and secondary residence premises, coverage under Section II is not mandatory in the policy covering the secondary residence premises.
- D. Premium:
  - When Section II coverage is extended from the primary policy, the base premium for the secondary residence premises is reduced.
  - Apply the charge for an additional insured location shown in the Declarations of the policy covering the primary residence premises. Refer to the Additional Endorsement "Other Insured Locations Occupied by the Insured" for additional requirements.

### 14. ROOF COVERING

The following roof coverings are applicable:

- Architecture Shingle
- Asphalt Fiberglass Composite
- Clay, Tile, or Slate Tile
- Concrete Tile
- Metal Roof
- Other

### 15. LOSS SURCHARGE

If a policyholder has one or more chargeable losses in the last three years including at any previous residences, for which the Company or any other company has an incurred loss of \$500 or more (excluding the deductible), a surcharge is applied to the policy at New Business and/or Renewal. The three-year experience period will be calculated from the current new business effective date and/or renewal process date.

The surcharge factor will be calculated by selecting a factor from the loss surcharge factor table in the rate section of the manual for each Peril based on the prospect's loss history.

The following types of losses are not considered chargeable:

- Designated Serial Numbered Catastrophe
- Closed without Payment
- Weather-related losses
- Scheduled Personal Property
- Personal Articles Floater
- Personal Liability Umbrella
- Identity Fraud Expense and Resolution Services Coverage
- Workers' Compensation losses

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- Medical Payment Losses
- Appliance-related water damage when a certificate of appliance-related water damage remediation is submitted
- Any prior losses that would not be covered under this policy
- Any prior losses that do not fall under SERFF TOI 04.0

## 16. LOSS FREE DISCOUNT

An insured is eligible for a policy discount if they are loss free in either one of the applicable experience periods. The three year and five-year experience periods will be calculated from the current new business effective date and/or renewal process date.

An insured is considered loss free if all of their losses in either one of the applicable experience periods are less than \$500. This amount does not include any deductible payments the insured may have made.

The following types of losses are not considered chargeable:

- Designated Catastrophic Serial Numbered
- Closed without Payment
- Weather-related losses
- Scheduled Personal Property
- Personal Articles Floater
- Personal Liability Umbrella
- Identity Fraud Expense and Resolution Services Coverage
- Workers' Compensation losses
- Medical Payment Losses
- Appliance-related water damage when a certificate of appliance-related water damage remediation is submitted
- Any prior losses that would not be covered under this policy
- Any prior losses that do not fall under SERFF TOI 04.0

## 17. HOME BUYER DISCOUNT

The Home Buyer Discount is applicable to any homeowners policy if the following criteria are met.

**NEW BUSINESS** – The home must be purchased on the effective date of the new policy or during the twelve months prior to the effective date of the new policy.

**RENEWAL** – The policyholder must have received the discount when the new policy was issued and must have maintained continuous coverage under the Company's homeowners policy.

The age of the dwelling is calculated by using the following formula:

$$(\text{Year of the Policy Effective Date} - \text{Year Built}) + 1 = \text{Age of Dwelling}$$

Factors will vary based on age of home at new business.

## 18. TREE FREE YARD DISCOUNT

A discount is offered to an insured if all trees taller than ten (10) feet are farther than twenty (20) feet from the dwelling and other structures. A tree is defined as a woody perennial plant having one central stem with a diameter of more than two (2) inches at four-and-a-half (4.5) feet above the ground at maturity and with a definitely formed crown of foliage. Proof is required for this discount to be applied.

## 19. TANKLESS WATER HEATER DISCOUNT

When a homeowners policy is issued and the insured residence has a tankless water heater, a premium discount is granted. A tankless water heater -- also called instantaneous, continuous flow, inline, flon



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demand, or instant-on water heaters -- are water heaters that instantly heat water as it flows through the device, and do not retain any water internally except for what is in the heat exchanger coil.

## **20. GOLDEN AGE DISCOUNT**

A discount is offered to an insured who has attained the age of sixty (60).  
Refer to the Rate section of the manual for applicable factors.

## **21. AGE OF INSURED**

Age of Insured is calculated from the date of birth of the primary named insured. The formula for determining Age of Insured is:

$$\text{Policy Effective Date} - \text{Date of Birth} = \text{Age of Insured}$$

## **22. COVERAGE E AND F**

The named insured has the option to elect "No Coverage" for Coverages E and F. If coverage is elected, Coverages E and F must be purchased together and cannot be purchased independently of each other.

## **23. PERSONAL PROPERTY REPLACEMENT COST**

Coverage may be provided to settle losses on a Replacement Cost basis for property whether insured on a blanket or scheduled basis.

Coverage C must be at least 20% of Coverage A.

PERSONAL PROPERTY REPLACEMENT COST will be shown in the Declarations.

## **24. ADDITIONAL REPLACEMENT COST**

Coverage may be provided for additional insurance for Coverage A only when loss to the dwelling exceeds the limit of liability shown in the Declarations.

### **A. Insurance to Value Requirements:**

- Coverage A must be a minimum of 100% of replacement cost.
- Coverage A must be upgraded annually, at renewal, in accordance with the Inflation Coverage provisions in the Additional Coverage section of the policy.

### **B. Coverage Options:**

- 25% amount of Coverage A

ADDITIONAL REPLACEMENT COST percentage will be shown in the Declarations.

## **25. ORDINANCE OR LAW – INCREASED AMOUNT OF COVERAGE**

The basic Ordinance or Law Coverage amount may be increased.

ORDINANCE OR LAW new total percentage amount of coverage will be shown in the Declarations.

## **26. WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW**

Coverage may be provided for property loss resulting from water or waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW total limit of liability will be shown in the Declaration

## **27. ACV LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING**

This endorsement is applied to all policies. It ensures that ACV loss settlement is used once roofs reach the following ages:

- metal 26 years or older,
- slate, or tile roofs 21 years or older,
- and composition and all other roof surfaces 16 years or older.

ACTUAL CASH VALUE LOSS SETTLEMENT TO ROOF SURFACING will be shown in the Declarations.

## **28. ROOF DAMAGE EXCLUSION**

The Roof Damage Exclusion excludes coverage for loss or damage to the roof of any building at the residence premises caused by windstorm or hail, from water damage to the interior of any building at the residence premises or to personal property in those buildings which the water entered from the roof to covered property inside the building at the residence premises when rain, snow, sleet, sand, or dust entered through an opening in the roof not caused by windstorm hurricane, and/or hail, and any subsequent damage such as mold, fungus, or dry rot. A premium reduction will be applied if exclusion is elected.

ROOF DAMAGE EXCLUSION will be shown in the Declarations.

## **29. FIRST RESPONDER AFFINITY DISCOUNT**

When a homeowners policy is written for an active or retired first responder or military, a premium discount is granted.

## **30. ROOF SHAPE**

Apply roof shape factors based on whether the roof is:

- Flat
- Gable (also commonly called A-line roof)
- Hip
- Other

## **31. SWIMMING POOL**

The swimming pool liability exclusion is automatically applied. An insured has the option of purchasing buyback coverage.

## **32. MILES TO FIRE DEPARTMENT**

This rating factor applies to all forms. Determine the number of road miles from the insured location to the first responding fire department.

## **33. EXISTING COVERAGE**

A surcharge is applied for 1 policy year (subject to underwriting approval) for any policy bound with no existing coverage. Proof of existing policy must be retained in agents' file subject to audit review.

A surcharge is not applied if the named insured is a first-time home buyer or did not previously have a need for coverage.

### **34. RENEWABLE ENERGY SYSTEMS EXCLUSION**

The renewable energy systems exclusion is a mandatory exclusion and automatically applied to all policies. The insured does not have the option to purchase buyback coverage.

### **35. COSMETIC HAIL LOSS EXCLUSION**

This excludes cosmetic hail damage provided under Coverage A (Dwelling) to the exterior surface of the home or other structure.

### **36. E-POLICY DISCOUNT**

This discount applies when a named insured signs up for electronic delivery of policy documents. Cancellation and nonrenewal notices are physically mailed to the insured.

## **OPTIONAL COVERAGES**

### **1. LOSS ASSESSMENT COVERAGE – RESIDENCE PREMISES**

Coverage may be provided for a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:

- A. Either Section I Additional Coverage or Section II Additional Coverage; or
- B. Both Section I and Section II Additional Coverages.

LOSS ASSESSMENT COVERAGE new total limit of liability will be shown in the Declarations.

### **2. LOSS OF USE – INCREASED / DECREASED LIMITS**

The limit of liability for Coverage D may be increased or decreased.

LOSS OF USE new total limit of liability will be shown in the Declarations.

### **3. OTHER STRUCTURES - INCREASED OR DECREASED LIMITS**

The limit of liability for Coverage B may be increased or decreased.

COVERAGE B – OTHER STRUCTURES increased or decreased limits will be shown in the Declarations.

### **4. PERSONAL PROPERTY INCREASED / DECREASED LIMIT**

The limit of liability for Coverage C may be increased or decreased.

PERSONAL PROPERTY limit of liability will be shown in the Declarations.

### **5. SPECIAL LIMITS OF LIABILITY- INCREASED LIMITS**

The Special Limits of Liability in the policy form for the categories of property may be increased to the maximum limits shown in the rate tables.

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SPECIAL LIMITS OF LIABILITY – INCREASED LIMITS new total limits for each increased category will be shown in the Declarations.

## 6. RESIDENCE HELD IN TRUST

- A. A homeowners policy may be issued in the name of both the trust and trustee when:
1. The residence held in trust is a 1, 2, 3, or 4 family dwelling used exclusively for residential purposes.
  2. Legal title to the dwelling is held solely by the trust;
  3. The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
  4. The trust and trustee are both shown as the named insured on the policy Declarations, regardless of who resides in the residence held in trust.
- B. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust
1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:
    - a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should not be named in the declarations; or
    - b. Is not related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in the Declarations to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

This coverage may not be endorsed to secondary and seasonal locations.
  2. If the trustee does not regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in the Declarations whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.
- C. Liability Coverage Explained
1. Coverage E – Personal Liability and Coverage F – Medical Payments To Others is provided to the trust and trustee named insured who regularly resides on the residence premises. However, if the trustee named insured does not regularly reside on the residence premises, coverage for the trust and trustee is only provided for bodily injury or property damage arising out of the ownership, maintenance or use of the residence premises (premises liability).
  2. This coverage excludes:
    - a. Liability coverage for claims or suits for bodily injury or property damage arising out of any act or decision or failure to act or decide by the trustee named insured in administering the trust except as provided in Paragraph 1.; and
    - b. Liability coverage for bodily injury to all insureds covered under this policy, for example, the trustee named insured, the grantor or beneficiary of the trust who is named on the endorsement or any person acting on their behalf.
- D. Additional Conditions
- The policy may not be endorsed or extended to insure:
- Under Section I, any other dwelling on the residence premises, or any other structure, on or away from the residence premises, unless legal title to that other dwelling or structure is held solely by the trust; or

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- Under Section II, any location away from the residence premises unless legal title to that other location is held solely by the trust.  
RESIDENCE HELD IN TRUST will be shown in the Declarations.

## **7. PERSONAL INJURY**

Coverage may be provided for personal injury to others such as false arrest, libel or invasion of privacy. PERSONAL INJURY will be shown in the Declarations. This endorsement is not available if Coverage E- Personal Liability is excluded.

## **8. EQUIPMENT BREAKDOWN COVERAGE**

The Equipment Breakdown Coverage Endorsement provides coverage for physical loss or damage that results from mechanical breakdown, electrical breakdown, or rupture of a pressure vessel.

There is a \$1,000 per occurrence Equipment Breakdown Coverage Deductible.

Refer to the Optional Coverage tab in the rate tables for premium calculation.

EQUIPMENT BREAKDOWN COVERAGE will be shown in the Declarations.

## **9. SPECIAL COMPUTER COVERAGE**

The Special Computer Coverage Endorsement provides coverage for computers and related equipment against additional risks of physical loss subject to certain exclusions.

Refer to the Optional Coverage tab in the rate tables for premium calculation.

SPECIAL COMPUTER COVERAGE will be shown in the Declarations.

## **10. IDENTITY THEFT EXPENSE AND RESOLUTION SERVICES COVERAGE**

The Identity Theft Expense and Resolution Services Coverage Endorsement provides first party coverage for expenses incurred by an insured as a direct result of any identity theft occurrence first discovered or learned of during the policy period. This endorsement provides coverage for various expenses as identified in the endorsement.

IDENTITY THEFT EXPENSE AND RESOLUTION SERVICES COVERAGE will be shown in the Declarations.

## **11. LIMITED FUNGI, OTHER MICROBES, OR ROT COVERAGE**

Property losses relating to Fungi, Other Microbes or Rot, are limited to \$5,000 Policy Aggregate. LIMITED FUNGI, OTHER MICROBES, OR ROT COVERAGE will be shown in the Declarations.

## **AGENT / BROKER**

### **1. Agent Binding Authority**

For your convenience, our system provides an immediate declarations page and application upon issuance of the policy. Agents may issue coverage on risks meeting all underwriting criteria. Risks must meet Eligibility / Underwriting Guidelines presented in this manual.

- Risks must be within the amount of insurance binding authority limits.
- Risks may be quoted and bound up to 60 days prior to effective date.
- Quotes are valid for 60 days from the original quote date.
- New business may only be bound via our internet system.
- The completed Homeowners Application must be electronically signed and dated by the insured and the agent.
- Completed and signed application and supporting documents must be maintained in the agent's files and are subject to audit at request of the company.

The Company reserves the right to re-rate, cancel, rescind, or non-renew a policy based on the discovery of inaccurate or undisclosed information at the time of application.

### **2. Supporting Documentation.**

Certain supporting documentation must be maintained in the Agent's file unless noted otherwise. Failure to provide requested documentation for future audits will result in the removal of the credit or the application of a surcharge and an invoice to the insured.

Certain supporting documentation must be attached to the policy document section of the policy within 30 days of binding the risk. Failure to provide requested documentation will result in the removal of the credit, the application of a surcharge or the cancellation of the policy.

If Agents sign the policy application on behalf of the insured, the Agent must maintain an insured signed application in their file for 3 years and provide it to Orion180 upon request.