



# **Texas Flex Program**

## **Underwriting Guide**

Orion180 Insurance Company  
Homeowners Program

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# Orion180 Insurance Company Homeowners Program

## **ELIGIBILITY**

**ELIGIBLE RISKS** The following risks are eligible for Orion180 insurance:

- a. **Location** All counties within Texas are eligible for this HO3 Program.
- b. **Insurance-to-Value** The dwelling must be insured to 100% of its estimated Replacement Cost for Coverage A, at policy inception.
- c. **Occupancy**
  - 1) Primary residences - must be deeded to the named insured and owner occupied.
  - 2) Secondary residences - must be deeded to the named insured and owner or immediate family member occupied.
- d. **Townhome, row home or multi-unit residence**
  - 1) Must have a fire wall between units extending to the roof line. Townhomes built prior to 2000 must provide proof of fire walls.
  - 2) Individual residential dwellings only.
- e. **Primary heating**
  - 1) Systems must meet state building codes and be in proper working condition.
  - 2) There must be a permanently installed heat source, thermostatically controlled, central heating or electric heating. (Note: A converted coal furnace, kerosene heater, electric space heater, fireplace, or wood/coal/pellet stove cannot be the primary source of heat.)
- f. **Roof**
  - 1) The roof must be in acceptable condition.
  - 2) Architectural shingles, asphalt fiberglass composite shingles, clay or concrete tile, slate, poured concrete, adobe and metal. All other roof materials are ineligible.
  - 3) Flat roofs are acceptable if the roof material is poured concrete or adobe.
- g. **Foundations**
  - 1) Basement
  - 2) Masonry
  - 3) Slab.
  - 4) 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. Dwellings with crawl spaces 3 feet or less in height are acceptable. Crawl Space must be fully enclosed on all sides with permanent material like block, brick, siding, etc. Crawl Space must have adequate access and be adequately vented.

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## h. **Acreage**

- 1) Dwellings located on 5 acres or less.
- 2) Dwelling on 5 to 10 acres must meet the following criteria:
  - a. Located in a Planned Community
  - b. Within 5 miles of a fire station
  - c. Visible from a main paved road

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

## j. **Condition and care** Homes must be properly maintained, in sound condition and exhibit pride of ownership.

**INELIGIBLE RISKS** The following risks are ineligible for Orion180 insurance.

## a. **Location**

- 1) Dwellings in a Public Protection Class 10.
- 2) Homes on a historic registry or a home that has historical significance.
- 3) Homes adjacent to a commercial exposure, as this 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 thirty (30) degrees slope, are cantilevered or built partially or entirely over water.
- 5) No portion of the dwelling is located above a body of water or wetland (e.g., swamp, marsh, bog).
- 6) Dwellings located in a binding-restricted area due to a current weather event or catastrophe.

## b. **Prior Loss History**

- 1) More than 2 losses in the past 5 years.
- 2) More than 1 liability loss, 1 fire loss, or 2 property losses in the past 5 years.
- 3) Risks with open, prior claims.

## c. **Criminal history** Applicants who have been indicted for, or convicted of, any degree of crime of fraud, bribery, arson, or any other arson-related crimes in the last 5 years.

## d. **Occupancy**

- 1) Dwellings that are:
  - a. Occupied by more than 1 family; and/or
  - b. Occupied by a roomer or boarder for longer than thirty (30) consecutive days.
- 2) Dwellings with any rental exposure.
- 3) Dwellings which have 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.

## e. **Mortgages** Homes with three (3) or more mortgages, in foreclosure, or more than ninety (90) days past due on a mortgage.

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- f. **Ownership** Properties deeded to or owned by a corporation, limited liability company (LLC), partnership, limited liability partnership (LLP), estate, association, trust, or any other business entity.
- g. **Commercial exposure** Homes within three hundred (300) feet of a commercial exposure(s).
- h. **Age of Home** Homes built prior to 1900 are ineligible.
- i. **Construction**
- 1) Dwellings in the course of 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).
- j. **Roof** Homes with a roof covering of corrugated metal, T-lock shingles or an overlay roof (i.e., asphalt, fiberglass or composition shingles over wood shakes or wood shingles).
- k. **Siding** Homes with wood shake (covering more than 20% of all siding), Masonite, asbestos, EIFS (Exterior Insulation Finish System), or Dryvit Stucco siding.
- l. **Electrical**
- 1) Systems which do not meet state building codes and/or are not in proper working condition.
  - 2) Knob and tube wiring.
  - 3) Aluminum wiring.
  - 4) Double-tapped wires.
  - 5) Unsafe electrical panels, including but not limited to:
    - a. Fuse boxes.
    - b. Federal Pacific Electrical (FPE).
    - c. Zinsco/GTE Silvania
    - d. Challenger
- m. **Plumbing**
- 1) Systems which do not meet state building codes and/or are not in proper working condition.
- n. **Acreage** Dwellings located on more than 10 acres are not eligible.
- o. **For Sale**
- 1) Dwelling must be occupied while for sale.
  - 2) If the dwelling is unoccupied or vacant for more than thirty (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:
    - a. Someone is routinely (i.e., at least weekly) checking the property; and
    - b. The property is well maintained.

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**p. Condition and Care**

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 that is damaged, missing, or deteriorating.
- 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, creating 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.

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

**r. 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.

**s. 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.

**t. Animals**

Exotic, dangerous, or vicious animals, as well as any animals with a history of biting or that have caused bodily injury to individuals or shown aggressive behavior toward people.

**u. Yards**

- 1) Excessive yard debris, such as wood piles, brush, materials, or inoperable vehicles.
- 2) Dead or dying trees, trees that are too close to the home, or those overhanging the property.

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## **GENERAL RULES**

### **INSPECTIONS**

Orion180 requires that an inspection be performed on homes meeting the inspection criteria within thirty (30) days of the policy's effective date. Inspections can also be conducted during renewal periods or as deemed necessary by the company. For further details, please refer to the current inspection requirements guide.

### **POLICY PERIOD**

The standard policy period is 1 year and may be extended for successive policy periods by renewal.

### **RENEWAL**

If the company elects to offer renewal, the policy may be renewed by the policyholder by paying the renewal premium prior to the expiration of the current policy. The renewal policy will be issued based on the premiums, forms, and endorsements in effect at the time of renewal. A new declarations page, as well as any revised policy forms, will be sent to the insured.

### **CANCELLATION OR REDUCTIONS IN LIMITS OF LIABILITY OR COVERAGE**

- If insurance is increased, canceled, or reduced, the additional or return premium shall be computed on a pro- rata basis.

## **CONSTRUCTION DEFINITIONS**

### **CONSTRUCTION MATERIALS**

- Frame / Stucco on Frame / Hardiplank over Frame – exterior wall of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports, and aluminum or plastic siding over frame.
- Masonry Veneer – exterior walls constructed of masonry materials such as brick or stone over frame.
- Masonry / Stucco on Masonry – exterior walls constructed of masonry materials such as adobe, concrete, gypsum block, hollow concrete block, stone, tile, or similar materials, and floors and roof of combustible construction.
- Superior Construction - exterior walls, floors, and roof constructed of masonry or other non-combustible materials.

Note: Mixed (Brick/Block and Frame) – a combination of both brick/block and frame construction shall be classified as Frame when the exterior walls of frame construction (including gables) exceed 30% of total exterior wall area; otherwise classify as Brick/Block.

### **PROTECTION CLASS**

The Protection Class (PC) listings in the Public Protection Classification Manual apply. Use PC 10 for unclassified areas. In an unclassified area where 2 or more classifications are shown (e.g. 6/9), the classification is determined as follows:

<b><u>Miles to Fire Station</u></b>	<b><u>Feet to Hydrant</u></b>	<b><u>Protection Class</u></b>
Less than 5	Less than 1,000	First PC
Less than 5	More than 1,000	9
More than 5	.....	10

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## **COVERAGE OVERVIEW**

### **FLEX PERILS**

The Orion180 Flex Policy gives policyholders the option to choose from a variety of perils, allowing them to customize their coverage to meet their unique needs. The available peril options may differ based on whether the property is mortgaged.

All risks are covered with certain exclusions. Please read the policy for a complete list of exclusions and limitations.

<b>Flex Perils Options</b>	
<b>Included Perils</b>	Fire, Lightning, Water Weather, and Miscellaneous*
<b>Mortgaged Home - Required Perils</b>	Named Storm, Tornado, Wind, Hail
<b>Mortgaged Home - Optional Perils</b>	Water Non-Weather, Wildfire, Liability, and Theft
<b>Non-Mortgaged homes -Optional Perils</b>	Named Storm, Tornado, Wind, Hail, Water Non-Weather, Wildfire, Liability and Theft
*Miscellaneous Perils include Aircraft, Explosion, Falling Objects, Riot or Civil Commotion, Vehicles	

### **Deductibles**

The insured can choose any of the available Weather/Wildfire and Non-Weather deductible options. The Weather/Wildfire deductible cannot be less than the Non-Weather deductible. Changes in deductibles may only be made at the time of new business and renewal.

<b>Deductible Options</b>	
<b>Non-Weather Deductible</b>	\$2,500, \$5,000, \$10,000, \$25,000, \$50,000, \$100,000, 1%, 2%, 3%, 5%, 10%
<b>Weather/Wildfire Deductible</b>	\$25,000, \$50,000, \$100,000, 2%, 3%, 5%, 10%

## **COVERAGE**

### **Limits Of Coverage**

#### **Coverage A – Dwelling**

- A Replacement Cost Estimate for the Dwelling is determined at the issuance of the policy. The insured has the option of recalculating it at the renewal if they have made improvements to the home or want to review the amount of Coverage A. A new replacement cost estimate will be run prior to each renewal of the policy. The renewal offer will reflect the increased replacement cost amount or the standard percentage of regional increase as reported by a third-party vendor, whichever is greater.

#### **Coverage B – Other Structures**

- Insured may select desired coverage limit for Other Structures located on the residence premises. Base rates include Other Structures coverage equal to 10% of Coverage A.

#### **Coverage C – Personal Property**

- Insured may select desired coverage limit for Personal Property (Contents). Personal Property (Contents) is available at 10%- 70% of Coverage A. Base rates include Contents coverage equal to 50% of Coverage A.



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## **Coverage D – Loss of Use**

- Insured may select desired coverage limit for Loss of Use. Loss of Use is available at 0% - 20% of Coverage A. Base rates include Loss of Use coverage equal to 20% of Coverage A.

## **Coverage E – Personal Liability**

- Insured may select the desired coverage limit for Personal Liability.

## **Coverage F – Medical Payments to Others**

- Insured may select the desired coverage limit for Medical Payments to Others.

Coverage	Limits
A – Dwelling	\$350,000 to \$1,250,000*
	<i>*up to \$1,500,000 available for renewal business only</i>
B - Other Structures	2%, 10%, 20%, 30%, 40%, or 50% of Coverage A
C – Personal Property (Contents)	10%, 20%, 30%, 40% 50%, 60% or 70% of Coverage A
D - Loss of Use	0%, 10% or 20% of Coverage A
E - Personal Liability	Exclude, \$100,000, \$300,000 or \$500,000
F - Medical Payments	Exclude, \$1,000, \$2,500 or \$5,000

## **LOSS SETTLEMENT**

Coverage	Loss Settlement
A & B – 1960 and Newer	Replacement Cost
A & B – 1959 and Older	Functional Replacement Cost
C	Actual Cash Value

## **MANDATORY ENDORSEMENTS**

### **FUNCTIONAL REPLACEMENT COST LOSS SETTLEMENT**

This endorsement is mandatory for all homes built prior to 1960 and changes the How a Loss Will Be Settled provision to Functional Replacement Cost. This means losses would be paid at the amount that it would cost to repair or replace the damaged building with less costly common construction materials and methods, which are functionally equivalent to obsolete, antique, or custom construction materials and methods used in the original construction of the building.

### **MINIMUM EARNED CANCELLATION PREMIUM**

This endorsement is mandatory for all policies and specifies that if a policy is cancelled at the request of the insured or agent the company will retain a minimum earned premium of 25% or the annual policy premium. A cancellation due to non-payment is regarded as a request made by the insured.

### **OWNER OCCUPANCY - SECONDARY / SEASONAL HOME ENDORSEMENT**

This endorsement is mandatory if secondary/seasonal is selected for the dwelling occupancy. This endorsement limits the liability coverage to “premises only”. This endorsement also increases the allowable time (up to 90 days) for a home to be vacant or unoccupied before coverage is excluded for vandalism or malicious mischief.

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## **NON-WEATHER DEDUCTIBLE**

This endorsement is required for all policies with a Non-Weather deductible and outlines how the deductible applies with specific examples

## **WEATHER/WILDFIRE DEDUCTIBLE**

This endorsement is required for all policies with a Weather/Wildfire deductible and outlines how the deductible applies with specific examples

## **OPTIONAL ENDORSEMENTS**

### **ADDITIONAL INTEREST**

This endorsement allows an insured to add a person or organization as having an interest in the “residence premises”, allowing them to receive written notification if we cancel or non-renew the policy.

### **BURIED UTILITY LINES COVERAGE**

This endorsement provides coverage for damage to a buried utility line (underground pipes or wires that transport a utility service such as water, sewage, electricity, or gas to or from the dwelling or other structures on the residence premises), subject to exclusions. This coverage can be added at new business or renewal.

Coverage is provided for a leak, break, tear, rupture, collapse, or electrical arcing of a buried utility line caused by:

- Mechanical breakdown, latent defect or inherent vice;
- Artificially generated electric current including insulation breakdown;
- Wear and tear, marring, deterioration, hidden decay, rust, or corrosion;
- Vermin, insects, arachnids, rodents or any other animals;
- Presence, pressure, or intrusion of any root system;
- Freezing, including frost heave and thaw; or
- Weight of equipment, vehicles, animals, or people

There is a \$10,000 limit per occurrence and a \$500 deductible associated with this endorsement.

**CO-PAYMENT ENDORSEMENT** For a reduction in premium, the policyholder can select a copayment option. The policyholder will be responsible for paying the selected percentage of loss, other than fire, after the applicable deductible is applied

### **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement provides coverage for the breakdown of electrical or mechanical equipment

There is a \$50,000 limit for a loss covered under this endorsement and a \$1,000 deductible associated with this endorsement. This coverage can be added at new business or renewal.

### **HOME COMPUTER COVERAGE**

This endorsement provides coverage for computers and related equipment against risks of direct physical loss or damage from any external cause, subject to certain exclusions. This coverage is available to a maximum limit of \$20,000 and is subject to a \$500 deductible.

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### **SPECIFIED ADDITION AMOUNT OF INSURANCE – COVERAGE A**

This endorsement is intended to cover additional costs of construction that are incurred due to increases in the cost of construction that occur during the policy period. Increased construction cost is normally the result of increased demand relative to supply of labor and materials that can occur subsequent to a catastrophic loss that impacts a substantial number of properties in a region. Additional coverage provided by this endorsement is limited to a maximum of 25% of Coverage A. Coverage must be written for 100% of replacement cost.

This endorsement does not cover increased construction costs attributable to laws or ordinances governing construction.

### **LOSS ASSESSMENT COVERAGE**

This endorsement provides coverage for assessments relating to the residence premises.

### **CLAIM FREE PARTICIPATION BONUS**

- If loss-free after 5 years of coverage, the insured can receive either 25% of the Year 1 Net Written Premium or a vanishing non-weather deductible.
- If loss-free after 10 years, the insured can receive 100% of the Year 1 Net Written Premium.

### **ORDINANCE OR LAW**

This endorsement provides coverage for increases in cost of reconstruction, repair, or demolition of property that result from local laws or ordinances regulating such. The base policy has 10% of Coverage A. This endorsement may be purchased to increase the overall Ordinance or Law Coverage limit to 25% of Coverage A.

### **PERSONAL INJURY COVERAGE**

This endorsement provides liability coverage for personal injury to others for offenses such as false arrest, detention or imprisonment, libel, slander, invasion of privacy, and wrongful eviction or wrongful entry.

### **PERSONAL PROPERTY REPLACEMENT COST**

This endorsement provides replacement cost loss settlement on Coverage C.

### **PREMIUM PROTECTION**

Coverage is designed to assist with the rising costs of insurance by controlling the premium offered on the immediate Renewal Term.

Rates from the purchased term are locked and will be used as the rates for the immediate Renewal Term policy except in the event of a chargeable claim. In this instance, the claim surcharge will apply, and the loss free discount will be removed.

Endorsements will be permitted back to the effective date of the policy during the 60-day underwriting period only.

Coverage and Endorsement changes after the 60-day period will be restricted. In the event the insured requests that their credit-based insurance score (CBIS) be rerun, the agent will have to cancel/rewrite the policy.

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**Example 1:** Premium protection is purchased during new business (Year 1), the premium for the immediate renewal (Year 2) will be locked. The year 3 renewal premium will then be adjusted to the rate level in effect at that time.

**Example 2:** Premium protection is not purchased during new business; however, at the next renewal the insured wants to add the coverage. The premium for the year 3 renewal will then be locked to match the year 2 premium.

**Example 3:** Premium protection is not purchased during new business (Year 1) or at renewal (Year 2); however, at the Year 3 renewal the insured wants to add the coverage. The premium for the year 4 renewal will then be locked to match the year 3 premium.

### **ROOF COVERAGE OPTIONS:**

- 1) Actual Cash Value (ACV)
  - If selected, the Roof Material Payment Schedule will apply
  - Roof Material Payment Schedule required for the specified roof ages below:
    - a. 16 years and older for architectural and composite shingles.
    - b. 21 years and older for adobe, tile, concrete.
    - c. 26 years and older for metal and slate.
- 2) Replacement Cash Value (RCV)
  - If selected, Roof coverage will be covered on a Replacement Cost Value basis
- 3) Roof Coverage – Sublimit of Coverage A
  - If selected, Roof coverage will be covered on Sublimit of Coverage A basis based on square footage of the home, roof material and age of the roof

### **ROOFING MATERIALS PAYMENT SCHEDULE**

This endorsement provides actual cash value (ACV) settlement on the roofing materials for loss caused by weather related losses.

### **SWIMMING POOL AND HOT TUB LIABILITY COVERAGE**

This endorsement provides liability coverage for a pool and/or hot tub. To qualify for this endorsement, the property must have at least a four-foot fence or an approved alternative enclosure surrounding the pool area. Properties with a diving board and/or slide are ineligible for this coverage.

### **WATER BACKUP & SUMP PUMP DISCHARGE OR OVERFLOW**

This endorsement provides coverage for loss resulting from water that backs up through sewers or drains or that overflows from the sump. This coverage can be added at new business or renewal. Basement definitions:

- None - no basement exists at the property
- Unfinished Basement – non modified area used primarily for storage
- Partially Finished Basement - a slightly modified area which, in addition to providing storage, usually has some improvements and an additional purpose (exercise room, music room, etc.)
- Finished Basement - modified area which is a fully habitable addition to the house. This space is frequently converted into a bedroom, home theater, gym, etc.

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## **NON-WEATHER WATER DAMAGE COVERAGE**

This optional coverage allows the policyholder to choose their limit for non-weather-related water damage, with the available limit determined by the age of the home.

Coverage Limit	Age of Home
\$10,000	No Age Limit
\$20,000	0 - 29
\$30,000	0 - 24
\$40,000	0 - 15
\$50,000	0 - 10
\$60,000	0 - 10
\$70,000	0 - 10

## **Conditional Limitations / Exclusions**

This list is not comprehensive; please refer to the policy for details on exclusions.

Limited Water Damage Coverage	Homes 30 years or older, or homes that have cast iron, galvanized, PEX (prior to 2006), polybutylene plumbing, or a tanked water heating unit installed on a level higher than the ground floor the Limited of \$10,000 will apply to non-weather water damage
Swimming Pool and Hot Tub Liability Exclusion	Automatically applied. Optional coverage is available.
Swimming Pool and Hot Tub Liability Coverage	To qualify for this coverage, the property must have at least a four-foot fence or an approved alternative enclosure surrounding the pool area. Properties with a diving board and/or slide are ineligible for this coverage.
Animal Liability Exclusion	Automatically applied.
Roof Material Payment Schedule required for the specified roof ages.	16 years and older for architectural and composite shingles. 21 years and older for adobe, tile, concrete. 26 years and older for metal and slate.

## **RATING RULES**

### **PREMIUM CALCULATION**

Many policy variables and the rate classifications within each are used in developing the final premium. In general, the factor for each rate class is multiplied by the factor for the rate class of the preceding variable. The following variables and rate classifications are utilized in rating.

### **AGE OF DWELLING**

Age is determined by subtracting the year in which construction of the residence was completed from the year in which the policy is effective.

### **AGE OF ROOF**

Age is determined by subtracting the year in which the roof was installed from the year in which the policy is effective.

### **BASEMENT FINISHED PERCENT**

Basement finished percent will be used in rating

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## **DISTANCE TO COAST**

Distance to the nearest ocean will be used in rating.

## **FOUNDATION TYPE**

Foundation type and size will be used in rating

## **GARAGE TYPE AND SIZE**

Garage type and size will be used in rating

## **HOUSEHOLD FACTOR**

The Household Structure factor is a combination of the age of named insured, marital status, and the presence of children in the household.

## **CREDIT BASED INSURANCE SCORE**

A credit-based insurance score of the named insured will be used in rating and eligibility

## **NUMBER OF BATHROOMS**

The number of bathrooms will be used for rating

## **NUMBER OF PRIOR HOME CLAIMS**

Number of Weather and Non-Weather prior claims will be used in rating

## **NUMBER OF STORIES**

The number of stories will be used in rating.

## **PRIOR LIABILITY LIMIT**

The prior liability limit will be used in rating.

## **PROTECTION CLASS / TYPE OF CONSTRUCTION**

The protection class and construction type of dwelling will be used in rating.

## **ROOFING MATERIAL**

The type of roofing material will be used in rating.

## **SQUARE FEET**

The total square footage of the living area will be used in rating.

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## **DISCOUNTS & SURCHARGES**

Evidence and supporting documentation of all optional discounts must be retained in the agent's file. These documents will be subject to be reviewed during an audit.

Please refer to the rate pages for the available limits, corresponding factors/premium amounts, and the perils to which they apply.

### **CLAIM FREE DISCOUNT**

A discount applies to insureds with no claims in the 5-year period preceding the policy effective date.

### **CLAIMS SURCHARGE**

A surcharge applies to renewal policies if a claim is submitted. The surcharge is for claims filed since the policy was originally inception. Claims drop off after 5 years.

### **COMPANION POLICY DISCOUNT**

When a Homeowners policy is issued and the named insured also has a private passenger automobile policy in force with the same agency, a premium discount is granted.

### **GOLDEN AGE DISCOUNT**

A discount is offered to an insured who has reached the age of sixty (60).

### **MILITARY/FIRST RESPONDER DISCOUNT**

A discount is offered to an insured who is an active or retired first responder or military member.

### **HOME UPDATE DISCOUNT**

The Home Update Discount applies if significant improvements have been made to the home within the last 10 years. We define significant as those requiring a building permit. The discount is applied at new business. For example, permitted updates to the plumbing, electrical, and HVAC systems all would apply.

### **NEW PURCHASE DISCOUNT**

A discount is offered to homeowners who are obtaining their policy to coincide with the purchase of a home. The discount is phased out over time.

If the New Purchase Discount is applied, the policy is not eligible for the Advance Quote Discount.

### **PROTECTIVE DEVICE DISCOUNT – FIRE PROTECTION / BURGLAR PROTECTION**

Available Fire Protection options include a smoke alarm system that reports to a central station or a complete home sprinkler system. Available Burglar Protection options include a complete local burglar alarm system or a burglar alarm system that reports to a central/police station.

An insured cannot have multiple fire protection discounts, multiple home security discounts, or multiple water leak protection discounts; nor can they have both the Protective Device Discount and the Smart Technology Discount for either fire or burglar protection.

### **SECURED SUBDIVISION / COMMUNITY DISCOUNT**

A discount is applied for homes located in a neighborhood protected by 24 hour-manned security or passkey gates protecting all entrances to the community.

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## **SMART TECHNOLOGY DISCOUNTS**

If a customer qualifies for both the Protective Device Discount and the Smart Technology Discount for Smoke/Fire- related devices, only the greater of the two discounts will apply.

This also applies to Burglar/Theft devices.

### **Water Leak Protection Detection**

- Water Leak Sensors – a discount applies if the homeowner has installed water leak detection sensors with smart phone notification and manual shut off of the water main. Sensors must be located in each bathroom, kitchen, and in utility room(s) with a water heater or washing machine.
- Water Leak Sensors with Automatic Shutoff – a discount applies if the homeowner has installed water leak detection sensors with smart phone notification and an automatic shut off of the water main. Sensors must be located in each bathroom, kitchen, and in utility room(s) with a water heater or washing machine. The automatic water main shutoff valve must be professionally installed.
- Water Flow Monitor with Automatic Shutoff – a discount applies if the homeowner has installed a water flow sensor attached to the water meter that detects excessive or continuous flows of water through the plumbing system and automatically shuts off the water main. The flow meter and water main shutoff valve must be professionally installed.

### **Smoke / Fire Alarm Notification**

- Smart Smoke Detector – a discount applies if the homeowner has installed a “smart” battery in each smoke alarm that confirms the battery is still active or a device that detects smoke alarm activation and notifies the homeowner via smart phone when the alarm is activated.

### **Theft / Burglar Alarm**

- Motion Detecting Camera – a discount applies if the homeowner has deployed a motion detecting camera within the home or security cameras outside the home that notifies the homeowner of a potential home intrusion, via their smart phone.
- Smart Burglar Alarm – a discount applies if the homeowner has installed a local burglar alarm system on all windows and doors that notifies the homeowner of a potential home intrusion, via their smart phone. The system emits an audible alarm but is not professionally monitored.

## **TANKLESS WATER HEATER DISCOUNT**

When a homeowner's 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, flash, on-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.

## **TREE FREE YARD DISCOUNT**

A discount is offered to an insured if all trees taller than ten (10) feet are farther away 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 definitively formed crown of foliage. Proof is required for this discount to be applied.

## **WOOD BURNING STOVE SURCHARGE**

A surcharge applies if a wood burning stove is present.



Orion180 Insurance Company  
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## **ADDITIONAL FEES & CALCULATIONS**

### **CANCELLATION FEE**

There is a cancellation fee of \$49 if the policy is cancelled before its expiration date.

### **MINIMUM PREMIUM**

A minimum premium of \$350.

### **MINIMUM EARNED PREMIUM**

A minimum earned premium of twenty-five percent (25%) of the annual policy premium is retained.

### **POLICY FEE**

A \$199 policy fee is included as part of the final premium calculation.

### **PREMIUM ROUNDING**

When calculating premium, the final premium is rounded to the nearest whole dollar.

### **WAIVER OF PREMIUM**

When a policy is issued or endorsed after the inception date, an additional or return premium of less than \$5 is waived. However, we will return unearned premium upon request.

### **OTHER FEES**

- NSF Fee \$25.00
- Reinstatement Fee/Lapse Fee \$10.00
- Late Fee \$25.00
- Installment Fee \$10.00 Installment fees are fully earned as they are billed with each installment.

### **PAYMENT PLANS**

<b>Payment Plan</b>	<b>Down Payment</b>	<b>Installment</b>
Full Pay	100%	
2 Pay	50%	1 @ 50%
4 Pay	25%	3 @ 25%
Mortgagee Billed	Based on Mortgagee Billing	

\*Policy Fees and Taxes are in addition to down payments.

# Orion180 Insurance Company Homeowners Program

## **AGENT/BROKER**

### **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 the 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.

### **SUPPORTING DOCUMENTATION**

It is required that 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 or the cancellation of the policy.

Agent must maintain an insured signed application in their file for 3 years and provide it to Orion180 upon request.