



DWELLING FIRE

Underwriting and Rating Manual

October 2018

DWELLING FIRE UNDERWRITING MANUAL – CALIFORNIA
California Mutual Insurance Company

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This manual contains the Personal Lines Underwriting Guidelines and Rates for our Dwelling Fire program for California. This manual is also available from our website, www.calmutual.com where you can use the embedded links to easily navigate through each section.

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UNDERWRITING GUIDELINES

Business Objectives	California Mutual Insurance Company (CMCI) has been writing property insurance since 1920. Our objective is to attract quality, preferred business, insuring well maintained, in above average condition as outlined in our “Eligible Exposures”.
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ELIGIBLE EXPOSURES

Overview	<p>The following guidelines describe preferred property exposures that are eligible for our program. Exposures not listed in this section are handled as follows:</p> <ul style="list-style-type: none"> Ineligible Exposures: Please refer to, “Ineligible Exposures” for a description of exposures that are ineligible. All Other Exposures: All other exposures not described require prior underwriting approval.
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Eligible Account and Client Exposures	<ol style="list-style-type: none"> 1. Additional Insured – The following can be considered as an Additional Insured, but never as a Named Insured: <ol style="list-style-type: none"> a. Associations, including but not limited to homeowner/condo, golf club, lake, resort associations; b. Property Managers; c. Successors – someone or some entity that will become owner when current owner passes away; or 2. Dwelling Owner Resides in State – Dwelling owner must reside in the same state as where the insured property is located and be actively involved in the management of the property. Exceptions may be considered when there is a property manager or management firm, with underwriting approval. 3. Insurable Interest <ol style="list-style-type: none"> a. Dwelling is owned and titled to the Named Insured; b. Named Insured is an individual, a trust or a family LLC and 1-4 family dwelling is rented to others. Trust or LLC do not own commercial business operations. 4. Insured Properties – Property has been continuously insured for the previous twelve months, unless new purchase or new construction. 5. Loss History
--	--

Experience Period	Loss History (1) (4)		
	0	1 or More (2)	3 or More
3 Years	Eligible	Prior Underwriting approval required. Losses must be: <ul style="list-style-type: none"> Fully repaired and resolved. Have no bearing on future loss potential Not the result of inappropriate actions or inactions of the applicant or client (3) 	Ineligible

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ELIGIBLE EXPOSURES (CONTINUED)

Eligible Account and Client Exposures (Continued)	<p>5. Loss History (Continued)</p> <p>(1) All losses incurred by the insured are considered whether at the risk location or at another location.</p> <p>(2) A “Request for Additional Claim Information” may be required for loss details and documentation.</p> <p>(3) Losses that result from the inappropriate actions or inactions of any applicant or client make the risk ineligible if:</p> <ul style="list-style-type: none"> • It is determined that an insured premise faces undue exposure to hazards as evidenced by the frequency or severity of losses; or • Due to residential, structural or maintenance issues that have not been properly addressed by the insured and will likely subject the premises to losses. <p>(4) Losses that result from weather related, catastrophe and medical payment claims will not be considered as a claim under loss history.</p>								
Eligible Dwelling Exposures	<p>1. Construction to Code – Construction should be of a conventional nature with a continuous masonry foundation and wood or steel frame construction.</p> <p>2. Dwelling Construction and Utility Requirements</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="width: 25%;">Topic</th> <th>Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Electrical</td> <td> <ul style="list-style-type: none"> • 100% of system on circuit breakers • The system must be well maintained (serviced and repaired as needed) • Wiring installed 1950 or newer • Wiring must <u>not</u> include any fuses; Fusetrans; Aluminum or Knob and Tube wiring </td> </tr> <tr> <td style="text-align: center;">Foundation</td> <td> <ul style="list-style-type: none"> • Full perimeter foundation (not open) • Examples of open foundations – ineligible: <ul style="list-style-type: none"> ○ Wood; ○ Post and Pier (dwelling or portion of dwelling – does not include decks or porches) </td> </tr> <tr> <td style="text-align: center;">Primary Heating Source</td> <td> <ul style="list-style-type: none"> • Thermostatically controlled • The system is well maintained (serviced and repaired as needed) • Heating system installed 1950 or newer. • Primary Heating system is <u>not</u> one of the following types: <ul style="list-style-type: none"> ○ Fireplace inserts (wood burning); ○ Floor Heating Systems, including floor furnaces and radiant or sub-floor system; ○ Geothermal heating system ; </td> </tr> </tbody> </table>	Topic	Requirement	Electrical	<ul style="list-style-type: none"> • 100% of system on circuit breakers • The system must be well maintained (serviced and repaired as needed) • Wiring installed 1950 or newer • Wiring must <u>not</u> include any fuses; Fusetrans; Aluminum or Knob and Tube wiring 	Foundation	<ul style="list-style-type: none"> • Full perimeter foundation (not open) • Examples of open foundations – ineligible: <ul style="list-style-type: none"> ○ Wood; ○ Post and Pier (dwelling or portion of dwelling – does not include decks or porches) 	Primary Heating Source	<ul style="list-style-type: none"> • Thermostatically controlled • The system is well maintained (serviced and repaired as needed) • Heating system installed 1950 or newer. • Primary Heating system is <u>not</u> one of the following types: <ul style="list-style-type: none"> ○ Fireplace inserts (wood burning); ○ Floor Heating Systems, including floor furnaces and radiant or sub-floor system; ○ Geothermal heating system ;
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ELIGIBLE EXPOSURES (CONTINUED)

**Eligible
Premises
Exposures**

- 1. Access – Dwelling and outbuildings are accessible by multiple entrances and exits year-round by the responding fire departments equipment, crews and trucks**
- 2. Brush – Any structure that:**
 - a. Is not subject to wildfire, fire fallout, or smoke damage due to its proximity concentrations of combustible fuel sources, such as forested or brush areas;**
 - b. Has a defensible space of 100 feet cleared around all structures, or up to the property line; and**
 - c. Does not border an undeveloped area that extends for ¼ mile or more and contains substantial concentrations of combustible fuel sources, such as forested or brush areas**
- 3. Elevation – Does not exceed 2,500 feet in elevation**
- 4. Fire Protection Class ISO – Fire – PC Class 1 – 7**
- 5. Housekeeping – Premises are well maintained, landscaped premises with no apparent loss control issues, such as abandoned vehicles/appliances, trash accumulation, or overgrown lawn or shrubs**
- 6. Insured to Value – The agent will work with the insurance applicant to determine an estimated replacement cost for the structure being insured. That estimate will be submitted to the Company, which will confirm the estimate using the Company’s replacement cost estimator. If the Company’s estimate differs from that submitted, we will ask the agent to work with the client to identify features or valuations that are causing the difference. The Agent will provide the applicant a copy of the Company’s replacement cost estimate for their consideration and records. If the parties are unable to develop a mutually agreeable estimate the application will be withdrawn or declined.**
- 7. Maintenance – Exterior and interior of dwelling is well maintained and reflects pride of ownership. This means there are no significant maintenance issues such as broken windows; inadequate or outdated electrical wiring, roofing or plumbing; unrepaired damage from previous losses; or cracked and crumbling walkways.**
- 8. Number of Families – 1 to 4 family dwellings (single family, duplex, 3-plex or 4-plex). Dwellings for 5 or more families require commercial coverage and are ineligible.**

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ELIGIBLE EXPOSURES (CONTINUED)

Eligible Premises Exposures (Continued)	9. Older Dwellings (35 years or older) The following additional requirements apply to older dwellings:				
	Year Built	Requirement			
	35 years or older	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Updates</td> <td>All systems (plumbing, electrical and heating) are fully updated by a licensed contractor.</td> </tr> <tr> <td>Required</td> <td> <p>A. Fully completed Older Home Questionnaire; and</p> <p>B. Verifiable proof of updates may be required if an updating issue is a concern. Acceptable documentation includes:</p> <ol style="list-style-type: none"> 1) Comprehensive new home inspection; 2) Licensed contractor inspection listing all five structural concerns (structure, electrical, heating, plumbing, and roof condition); 3) City/Town building inspectors “OK” of work done (usually found on the Building Permit); 4) Policy client’s documentation and receipts of updated work done; or 5) Photos that clearly support that the systems have been updated. </td> </tr> </table>	Updates	All systems (plumbing, electrical and heating) are fully updated by a licensed contractor.	Required
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<p>10. Residential – The dwelling is in a residential area and solely used for residential purposes.</p> <p>11. Slope – The insured premises is on a slope of 15 degrees or less.</p> <p>12. Smoke Detectors – Dwelling has working smoke detectors installed.</p> <p>13. Water Exposures – Dwelling is separated from:</p> <ol style="list-style-type: none"> a. Tidal waters by a distance of 1,000 feet or more and separated by a public roadway; or b. Inland waters by a distance of 500 feet or more. 					

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INELIGIBLE EXPOSURES

<p align="center">Overview</p>	<p>The following guidelines describe exposures that are not eligible for our program. Exposures not listed in this section are handled as follows:</p> <ul style="list-style-type: none"> • Eligible Exposures: Please refer to “Eligible Exposures” for a description of exposures that are eligible. • All Other Exposures: All other exposures not described require prior underwriting approval. 							
<p align="center">Ineligible Account/Client Exposures</p>	<ol style="list-style-type: none"> 1. Additional Insured of the following or similar types: <ol style="list-style-type: none"> a. Corporations b. Government entities and municipalities (federal, state, or local) c. Off premises storage and/or boarding facilities, i.e. marinas, stables, storage units, etc.; or d. Utility Companies. 							
<p align="center">Ineligible Dwelling Exposures</p>	<ol style="list-style-type: none"> 3. EIFS – Exterior Insulating Finish Systems (EIFS) stucco, also known as Synthetic Stucco, installed on all exterior walls and the dwelling year of construction is prior to 2000. 4. Historic Dwellings – Historic dwellings are those that have been designated through the local or National Historical Society or the Register of Historic Places as a historic home. Due to the requirement that the historical dwellings be rebuilt to their original condition, which significantly increases costs, historic dwellings are ineligible. 5. Manufactured/Mobile Homes – Manufactured/mobile homes are not written. <table border="1" data-bbox="492 1270 1442 1749"> <thead> <tr> <th data-bbox="492 1270 708 1325">Topic</th> <th data-bbox="708 1270 1442 1325">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="492 1325 708 1539"> <p>Definition</p> </td> <td data-bbox="708 1325 1442 1539"> <p>A manufactured/mobile dwelling means a factory built and constructed:</p> <ul style="list-style-type: none"> • On a permanent chassis; and • To standards established by HUD (Housing and Urban Development), if built since 1976. </td> </tr> <tr> <td data-bbox="492 1539 708 1749"> <p>Identifying Characteristics</p> </td> <td data-bbox="708 1539 1442 1749"> <p>Identifying characteristics of dwellings built since 1976 include:</p> <ul style="list-style-type: none"> • Red HUD tag on each section (normally on the side); and • Tag includes serial number and manufacturer. </td> </tr> </tbody> </table> 		Topic	Description	<p>Definition</p>	<p>A manufactured/mobile dwelling means a factory built and constructed:</p> <ul style="list-style-type: none"> • On a permanent chassis; and • To standards established by HUD (Housing and Urban Development), if built since 1976. 	<p>Identifying Characteristics</p>	<p>Identifying characteristics of dwellings built since 1976 include:</p> <ul style="list-style-type: none"> • Red HUD tag on each section (normally on the side); and • Tag includes serial number and manufacturer.
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INELIGIBLE EXPOSURES (CONTINUED)

<p align="center">Ineligible Dwelling Exposures (Continued)</p>	<ol style="list-style-type: none"> 6. Renovations and Course of Construction – Dwellings in any stage of renovation or in the “Course-of- Construction”. Dwelling undergoing minor remodeling are not considered under renovation. 7. Security Bars – Dwellings with security bars on bedroom windows without functioning quick releases from inside. 8. Unique or Unusual Construction/Design – Such as: <ol style="list-style-type: none"> a. Dome Dwellings b. Log Dwellings; or c. Straw and bale dwellings 9. Victorian Dwellings – Dwellings built in original Victorian architecture. 										
<p align="center">Ineligible Premises Exposures</p>	<ol style="list-style-type: none"> 1. Animal Exposures <ol style="list-style-type: none"> a. <u>Aggressive Animals</u> – Animals with an aggressive nature or have caused injury to any domestic animal/pet. b. <u>Exotic or Unusual Animals</u> – Animals such as venomous reptiles or boa constrictors. c. <u>Farm Type Animals</u> – Animals such as horses, cows or sheep whether owned or cared for by tenant or named insured. d. <u>Unacceptable Dog Breeds</u> – The following dog breeds (or any mix of these breeds) are ineligible: <ol style="list-style-type: none"> i. Doberman Pinscher ii. Presa Canario iii. Rottweiler iv. Wolf Dog v. Pit-bull (includes American Staffordshire Terriers, Pit Bull Terriers, Bull Terriers and Staffordshire Terriers) 2. Business Operations – Any dwelling with business conducted on or within 250 feet of premises, including farming or ranching. 3. Day Care/Child Care/Group Care – Dwellings in which the applicant/insured or tenant is operating an in-home daycare, child care or group care. 4. Pools – <ol style="list-style-type: none"> a. Pools with a diving board or slide; or b. Pools that are not protected by a full perimeter fence (at least 5-foot-high) with gates that are self-latching. 5. Seasonal Properties <table border="1" data-bbox="440 1524 1443 1976"> <thead> <tr> <th data-bbox="440 1524 751 1577">Type</th> <th data-bbox="751 1524 1443 1577">Requirement</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1577 751 1667">Seasonal Rentals</td> <td data-bbox="751 1577 1443 1667">Properties regularly rented to individuals for periods of less than 6 months.</td> </tr> <tr> <td data-bbox="440 1667 751 1757">Seasonal (1) or Secondary (2) Dwelling</td> <td data-bbox="751 1667 1443 1757">Seasonal or secondary dwelling where the supporting primary home is not with CMIC.</td> </tr> <tr> <td colspan="2" data-bbox="440 1757 1443 1848">(1) A dwelling that is unoccupied continuously for a period of 3 or more months during any policy year.</td> </tr> <tr> <td colspan="2" data-bbox="440 1848 1443 1976">(2) A dwelling that is unoccupied periodically during any policy year but less than 3 months at a time.</td> </tr> </tbody> </table> 	Type	Requirement	Seasonal Rentals	Properties regularly rented to individuals for periods of less than 6 months.	Seasonal (1) or Secondary (2) Dwelling	Seasonal or secondary dwelling where the supporting primary home is not with CMIC.	(1) A dwelling that is unoccupied continuously for a period of 3 or more months during any policy year.		(2) A dwelling that is unoccupied periodically during any policy year but less than 3 months at a time.	
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INELIGIBLE EXPOSURES (CONTINUED)

Ineligible Premises Exposures (Continued)	<p>6. Soil Conditions and Land Movement</p> <p style="padding-left: 20px;">a. Property located on landfill, sand, or other soil conditions known to be unstable; or</p> <p style="padding-left: 20px;">b. Locations where there is any evidence of land movement, slippage or sinking.</p> <p>7. Trampolines – Dwelling with a trampoline on the residence premises.</p> <p>8. Vacant or Unoccupied – Dwelling is not occupied by a tenant or the named insured.</p>
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BINDING AUTHORITY

Binding Authority Limits	Coverage	Minimum Limit	Maximum Limit (1)
	Dwelling Fire Special Form (DP 3)	\$100,000	\$ 1,000,000
	(1) CMIC is open to providing coverage for homes with limits above your binding authority. Please contact your underwriter for consideration.		
Binding Coverage	Eligible Exposures	Risks listed as eligible may be bound and submitted to the Company. Refer to “Eligible Exposures”	
	Ineligible Exposures	Risks listed as ineligible or not eligible cannot be bound or submitted to the Company. Refer to “Ineligible Exposures”.	
	Prior Approval	Risks not described in “Eligible Exposures” or “Ineligible Exposures” of this manual require underwriting approval prior to binding.	
Binding Period	<p>New applications for bound coverage and policy changes (endorsements) that increase our exposure must be submitted to the Company within:</p> <ul style="list-style-type: none"> • <u>Ten calendar days</u> from the effective date of coverage; or • <u>Ten calendar days</u> from the date the application/change request (endorsement) was completed. 		
Binder Effective Date	The effective date on any bound application or policy change (endorsement) must never be backdated prior to the day the client requests coverage without underwriting approval.		
Bound Application Requirements	<p>Applications must be fully completed and signed by the agent and client. The Agency will:</p> <ul style="list-style-type: none"> • <u>Electronic Applications:</u> Retain the signed application and supporting documents in their files. Provide copies to the Company upon request. • <u>Paper Applications:</u> Forward the original signed copy and any supporting documents to the Company for processing. 		

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BROKERED BUSINESS

Broker of Record Requests	<p>Letters or forms used to transfer the ownership of a policy from one appointed agency to another appointed agency will be accepted.</p> <p>When we receive a broker of Record request signed by the policy client, we allow the former agency ten (10) days to appeal the request. The agent may appeal by submitting a signed statement from the client rescinding the change of broker request.</p>
Effective Date of Change	<p>All Broker of Record requests are effective at the requested policy term effective date.</p> <ul style="list-style-type: none"> • If the request is received during the policy extension period, the agency of record will be made at renewal. • If the request is received after the renewal effective date, the company will cancel the policy and rewrite it to a new policy reflecting the new agent of record effective the requested policy term.
Additional Requirements	<p>The Company will not send copies of historical information or account history to the new agent unless we received a written request form the named insured.</p>

MORATORIUMS

Overview	<p>On occasion, the Company finds it necessary to suspend Binding Authority of our agency force. This may be necessary due to catastrophic exposures that exist in an area, including but not limited to wildfire, earthquake, and flood.</p>
Notification	<p>To avoid writing coverage on property that is in danger of being damaged, or has been damaged, a moratorium on writing property coverage will be issued for the endangered area.</p> <p>Bulletins are issued to define the boundaries and binding limitations for these situations. However, agents are prohibited from binding any dwelling in immediate or imminent danger from an impending cause of loss, such as wildfire, earthquake, and flood even though a Bulletin has not yet been issued.</p>
Duration	<p>The area will be defined in the moratorium memo and the moratorium will remain in place until the date specified in the memo or the danger of subsequent damage is no longer present.</p>
Earthquake Moratoriums	<p>A moratorium on writing new earthquake coverage will automatically apply:</p> <ul style="list-style-type: none"> • For 30 days from the initial earthquake occurrence for an event; • Registering 5.0 or greater on the Richter Scale; and • Within 100 miles of the epicenter. <p>Depending on subsequent activity, the moratorium period may be extended. A less extensive moratorium may be announced for some events.</p>

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OWNERSHIP CHANGES

Overview	When a risk is currently insured with CMIC and the property is sold or transferred to another owner or Named Insured, it is also an opportunity to evaluate the full risk again in the event there are any changes, i.e. schedules, upgrades or additions to the property.
Requirement	<p>We do not permit changing the Named Insured on the policy. In the event of an ownership change, CMIC requires:</p> <ul style="list-style-type: none"> • A new application; with • The new owner’s information.

REINSTATEMENTS

Overview	All requests for policy reinstatement require prior company approval so we can verify loss activity that may occur after cancellation or verify that all requested documentation is received. The reinstatement process is outlined below and will vary based upon the reason the client’s policy cancelled.
Non-Payment Cancellation	<ol style="list-style-type: none"> 1. Contact the underwriter for reinstatement approval. 2. If the underwriter approves the request, the Underwriter will request that you provide the following with 10 days of the approval date: <ol style="list-style-type: none"> a. Minimum payment required to bring the policy current including all applicable fees; and b. A “Statement of No Losses” letter signed and dated by the named insured. 3. If the required payment and statement of no losses is not received within 10 days, coverage will not be reinstated. The cancellation date will remain the date the policy cancelled for non-payment
Underwriting Cancellation/ Non-Renewal	<ol style="list-style-type: none"> 1. Contact your underwriter for reinstatement approval. 2. If your underwriter approves the request, the required reinstatement terms and/or documents must be received prior to the cancellation or non-renewal date. 3. If the requested documents are not received prior to the cancellation or non-renewal date, the policy will not be reinstated. The policy will end on the original cancellation or non-renewal date.

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RENEWAL UNDERWRITING

<p align="center">Overview</p>	<p>Renewal underwriting will follow similar new business underwriting guidelines and rating procedures. A renewal questionnaire may be mailed to the insured every five years. This does not preclude using information the Company becomes aware of or from requesting other information including, but not limited to, the replacement cost of the insured's residence.</p> <p>When underwriting discovers an exposure through its normal handling of inspections, claim notices or through endorsement activity, and that condition now makes the risk ineligible by our new business underwriting standards, we will flag the risk to non-renew effective the policy expiration date.</p>	
	<p>Policies meeting the following guidelines may not be eligible for renewal:</p>	
<p align="center">Renewal Guidelines</p>	<p align="center">Damage from Prior Losses</p>	<p>Damage from any loss must be fully remedied or otherwise resolved. This means that repairs for any loss must be completed and in compliance with local building codes. Proof may be required to show that any loss was fully and adequately resolved.</p>
	<p align="center">Indication Loss to Continue</p>	<p>There is an indication that losses will continue. This includes but is not limited to accounts with:</p> <ul style="list-style-type: none"> • Repairs made with defective materials, such as a plumbing repair made with PVC subject to recall or with known defects; • Losses due to carelessness and/or an indication of a careless attitude on the part of the insured; or • Poor condition/maintenance of the property.
	<p align="center">Losses</p>	<p>Policies are subject to a non-renewal for losses that result from the inappropriate actions or inactions of those insured under this policy if:</p> <ul style="list-style-type: none"> • It is determined that an insured premise faces undue exposure to hazards as evidenced by the frequency or severity of losses; or • Due to residential, structural or maintenance issues that have not been properly addressed by the insured and will likely subject the premises to losses.
	<p align="center">Periodic Inspections</p>	<p>Changes in coverage during the policy term may indicate that the risk has changed substantially since originally written. In these cases, we may order an inspection or further investigate the overall risk to determine eligibility. These changes include but are not limited to:</p> <ul style="list-style-type: none"> • Significant increases in dwelling coverage; or • Large increases in policy limits.

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RENEWAL UNDERWRITING

<p align="center">Annual Review</p>	<p>Underwriting may review risks annually to identify those policies that no longer meet our renewal criteria. New exposures may be present that do not meet the underwriting guidelines. These included, but are not limited to, the presence of the following ineligible exposures on the premises:</p> <p>*Brush *Ineligible dog breed *Slope *Business exposures *Poor maintenance *Trampoline</p>
<p align="center">Notice of Adverse Action</p>	<p>If we decide not to renew a policy, the policy client is notified as follows:</p> <ul style="list-style-type: none"> • Pre-notification of our action will be mailed to the policy client at the time the decision is made; and • Notice of Non-Renewal will be sent at least 45 days in advance of the policy expiration date. The Notice of Non-Renewal will be sent to the insured, any additional interests (mortgagees), and the agent. <p>Note: An agent desiring non-renewal of a policy must contact the underwriter at least 60 days before the end of the policy term and provide specific reasons for the request.</p>
<p align="center">Risk Retention</p>	<p>Underwriting provides the policy client an opportunity to resolve or otherwise mediate the condition (hazard) prior to the policy’s expiration date.</p> <p>To assist in the retention of existing business with losses, or other ineligible risk characteristics, the underwriter may require:</p> <ul style="list-style-type: none"> • Higher deductibles; or • Recommend coverage modifications. <p>The application of deductible options or coverage modifications in order to renew an account is solely at the discretion of the Company, and we will be conservative in the use of this discretion.</p>

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RATES AND RATE DEVELOPMENT

Purpose	In this section we describe the property and liability coverage and optional property and liability coverage available in our program. We also provide the rates and rating factors that apply.
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COVERAGE LIMITS AND RELATIONSHIPS

	COVERAGE	LIMITS
Standard Property Coverage Limits	A - Dwelling	Estimated Replacement Value – Maximum \$1.2 Million
	B – Other Structures	10% of Coverage A (Increased Limits Available)
	C – Fair Rental Value	10% of Coverage A (Increased Limits Available)
	D – Additional Living Expenses	10% of Coverage A (Increased Limits Available)

OPTIONAL PROPERTY COVERAGES

Additional Living Expenses or Fair Rental Value	Coverage	This form allows the insured to increase the coverage for Additional Living Expense and/or Fair Rental Value above the 10% automatically provided under the policy.					
	Rates	San Benito Co \$2.08 - All Other Counties \$2.22 per \$1,000 of additional coverage					
Contents	Coverage	Limits	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th>Minimum Limit</th> <th>Maximum Limit</th> </tr> </thead> <tbody> <tr> <td>\$5,000</td> <td>50% of Coverage A</td> </tr> </tbody> </table>	Minimum Limit	Maximum Limit	\$5,000	50% of Coverage A
		Minimum Limit	Maximum Limit				
	\$5,000	50% of Coverage A					
Perils	<ul style="list-style-type: none"> Contents (landlord/named insured’s personal property) are covered for Broad form perils. Theft of landlord/named insured’s personal property is not covered. 						
Rates	Refer to “PREMIUM TABLES - CONTENTS”						
Dwelling Replacement Cost	Coverage Form	Extended Replacement Cost Endorsement – Form MM-ERCE-D					
	Coverage	Provides additional coverage up to 150% of the dwelling (Coverage A) limit. See Coverage form for specific coverage and limitations.					
	Premium	\$10.00					

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OPTIONAL PROPERTY COVERAGES - CONTINUED

Earthquake	Coverage Form	Limited Coverage for Earthquake – Form 13-67 Engineering Services and Demolition – MS – EQ Reconstruction Cost Coverage – MS-EQR
	Coverage	Basic Earthquake Coverage - Provides coverage for damages to Dwelling, Other Structures, Personal Property, Fair Rental Value and Additional Living Expenses, as blanket coverage, caused by earthquake and volcanic eruption that exceeds the 10% of the total limit of earthquake coverage. Engineering Services and Demolition Cost (if earthquake loss exceeds the deductible) - Up to 10% of the earthquake limit to determine the habitability of the dwelling or actual cost of demolition due to structural condemnation. Reconstruction Coverage (if earthquake loss exceeds the deductible) – Optional coverage – up to \$10,000 for reconstruction costs due to building code standards.
	Rates	Earthquake Coverage is a blanket coverage – Add coverage limits for parts A, B, C and D for coverage amount. Insured may elected a minimum amount of coverage equal to coverage A upon a signed statement confirming the coverage amount. Refer to “EARTHQUAKE TABLES”
Ordinance or Law	Coverage Form	Building Code Upgrade Coverage – MS-277
	Coverage	This form provides additional coverage when local building ordinances or laws require specific materials or designs that increase the cost of construction. This increases the standard amount required to rebuild the dwelling (see coverage for specific coverage and limitations): <ul style="list-style-type: none"> • Loss must be caused by a peril insured against. • Coverage is included within the Coverage A limit of liability (not an additional coverage). • All other policy provisions apply.
	Rate	Refer to “OTHER PERILS TABLES – BLDG. CODE UPGRADE PREMIUM”
Other Structures Increased Limits	Standard Limit	Other structures are covered up to 10% of the dwelling (Coverage A) limit. Coverage for Other Structures may be increased using the same premium tables used in calculating Coverage A.

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OPTIONAL LIABILITY COVERAGES

Owner's, Landlord's & Tenant's Liability (OL&T)	Coverage Form	Owner's, Landlord's and Tenant's Liability (OL&T) – Form 13-67			
	Coverage	This coverage form provides protection for the insured if he/she is legally liable for bodily injury or property damage that results from the ownership, maintenance or use of the insured premises. (See coverage form for specific coverage and limitations.)			
	Liability Limits – All Counties Except San Benito Co.				
	Family Units	\$100,000	\$300,000	\$500,000	\$1,000,000
	1	\$47.15	\$58.65	\$63.25	\$70.00
	2	\$92.00	\$113.85	\$123.05	\$137.00
	3	\$221.95	\$274.85	\$297.85	\$329.00
	4	\$221.95	\$274.85	\$297.85	\$329.00
	Liability Limits – San Benito Co.				
	Family Units	\$100,000	\$300,000	\$500,000	\$1,000,000
	1	\$44.32	\$55.13	\$59.46	\$66.00
	2	\$86.48	\$107.02	\$115.67	\$129.00
	3	\$208.63	\$258.36	\$279.98	\$309.00
	4	\$208.63	\$258.36	\$279.98	\$309.00
	Personal Injury	Coverage Form	Personal Injury – Form DL 2482		
Coverage		This coverage form provides liability protection for personal injury, including the following causes of loss (see coverage form for specific coverage and limitations): <ul style="list-style-type: none"> • False arrest or detention; • Malicious prosecution; • Wrongful eviction or entry; and • Libel or slander 			
Requirement		Liability coverage – Owner/Landlord/Tenant Liability must also be purchased.			
Annual Premium		Limit		Premium	
		\$100,000		\$10.00	
	\$300,000		\$13.00		
	\$500,000		\$19.00		
\$1,000,000		\$19.00			

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ADDITIONAL COVERAGE, PROGRAMS, FACTORS AND FEES

Construction Type	Type	Definition	Factor
	Frame	<ul style="list-style-type: none"> • Wood or Stucco-wood frame construction • Metal, metal lath and plaster, or metal-sheathed on combustible support; • Combustible exterior walls on metal support; or • Combustible exterior wall covered by aluminum siding on combustible or metal supports. 	1.00
	Masonry	<p>A dwelling with exterior walls constructed of at least 50%:</p> <ul style="list-style-type: none"> • Masonry or masonry veneer; • Concrete or concrete block; and • Non-Combustible exterior walls, floors, and roof supported by non-combustible material (such as gypsum). 	Ineligible
Dwelling Type	Number of Families		Factor
	1 Family		1.00
	2 Family		See Premium Table
	3 & 4 Family		1.40 of Single-Family Rate
California Insurance Guaranty Association (CIGA)	<p>The California Insurance Guaranty Association (CIGA) was created and is run by the State to protect homeowners with valid claims but their insurance coverage is through a carrier that becomes insolvent. In these cases, the CIGA may indemnify the homeowner up to certain statutory limits.</p> <p>The State funds this program by assessing each company writing property insurance in California a specified percentage based on their written premium for the year. Each year the CIGA evaluates whether an assessment is needed. If an assessment is applicable, a charge will be applied to each policy and appear as a separate item on the declaration page.</p>		

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MANDATORY FORMS

Purpose	<p>The following is the list of policy provisions and endorsements that are included with every Dwelling Fire policy, except for those forms that are only included when liability coverage is purchased (see footnote (1)).</p> <p>These forms combine with the DP 3 policy contract and any optional coverage added by endorsement make up the complete policy.</p>	
Forms	Form Name	Form Number
	Additional Time to File a Replacement Cost Claim	MSM 2051 0705
	Advisory Notice to Policyholders	ANMSDF 0605
	CA Notice of Designated Additional Person	ILP 063 01 16
	California Fraud Statement	ILNO 18 0903
	CA Residential Property Insurance Disclosure	MSM 4000
	Flood Insurance Statement	MSM 2060
	Limited Fungi Wet or Dry Rot or Bacteria Coverage	MSM 202
	Mutual Membership and Voting Notice	MSM 1050
	Notification of Informational Practices	MSM 0406
	Owners Landlords and Tenants (O L & T) Liability Fungi or Bacteria Exclusion (1)	MSM 201
	Privacy Disclosure	MSM 5000
	Special Provisions – California	DP0104 0200
(1) This form is automatically included when O L & T coverage is purchased		

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PREMIUM CREDITS AND CHARGES

	Coverage Type	\$250	\$500	\$1,000	\$2,500
Deductible Options	Fire and Contents Factor	0.96	0.90	0.83	0.78
	ECE, V&MM & Special Factor	0.93	0.83	0.68	0.50
Preferred Rating	Type				Factor
	Preferred: Dwelling Less than 35 years of age				0.85
	Standard: Dwelling over 35 years of age				0.00

PREMIUM DEVELOPMENT

Building Premium	Base Dwelling Building Rate (1) (Obtained from the Premium Tables)
	Step 1 – Determine Building Premium based upon Territory/Premium Table and building coverage limit
	Step 2 – Apply 3 or 4 family dwellings by 1.40 of 1 family dwelling rate, if applicable
	Step 3 – Apply Preferred Rating Factor, if applicable
	Step 4 – Apply resulting premium by applicable Deductible Factor
	= Base Building Premium
Building Premium	<p>Building Premium – Each premium below is calculated separately then added to or subtracted from the building premium)</p> <ul style="list-style-type: none"> ± (Contents Premium + ECE Contents + Board Form Contents) X Preferred Factor X Deductible Factor ± (Extended Coverage Endorsement (ECE)+ Vandalism/Malicious Mischief (VMM)) X Preferred Factor X Deductible Factor ± (Special Form X Preferred Factor X Deductible Factor) - (Net ECE + Net VMM Premiums) ± Extended Replacement Cost ± O L & T Liability (Based upon limit and number of family units) ± Personal Injury ± Ordinance or Law (Based on age of dwelling) ± Fair Rental Value Increase ± Additional Living Expense Increase ± Other Structures Increase <p>= Total Premium</p>
	(1) The dwelling premium published in our rating pages is calculated as follows: Select Premium Table based upon: Territory/Premium Table/Occupancy/No of Family Units – One family or Two family

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PAYMENTS AND PAYMENT PLANS

Our payments and payment plans allow for Direct Bill to the insured only. We offer several options that the insured may select.

Billing/Payment Methods	<p>There are 5 methods an insurance may use to pay their premiums:</p> <ol style="list-style-type: none"> 1. Authorizing an installment Automatic Electronic Funds Transfer (EFT); 2. Pay by credit or debit card online; 3. Pay by phone; 4. Online check; or 5. Mail check or money order 		
EFT	<p>The insured may elect to pay their premiums through our Automatic EFT as follows:</p> <ol style="list-style-type: none"> 1. Complete an Automatic Payment Authorization Form; 2. Attached a voided check; and 3. Submit the form to our Customer Service Center at frontdesk@calmutual.com or fax to 831-637-1406 or mail 		
Payment Plan ID	Plan	Description	Installment Fee per Installment
100	Full Payment	Billed at issuance of policy; full premium due on inception date	None
2PY	2 Payments	50% of premium due at inception, remaining 50% due in 4 months	\$5.00
402	4 Payments	25% of premium due at inception, remaining due in 3 - 25% quarterly installments	\$5.00
403	4 Payments	40% of premium due at inception, remaining due in 3 - 20% quarterly installments	\$5.00
ReMon	Recurring Monthly Automatic EFT	20% of premium due at inception, remaining balance processed in 10 monthly payments	None
Re403	Recurring 4 installments Automatic EFT	40% of premium due at inception, remaining due in 3 - 20% quarterly installments	None

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PAYMENTS AND PAYMENT PLANS - CONTINUED

Premium Adjustments	<ol style="list-style-type: none"> 1. The amount will be billed or credited on a pro-rata basis. 2. When a policy change results in a reduction in premium, we will first apply the credit to any outstanding balance due on the policy. Any overpayment of the 12-month premium will be returned to the insured. 3. All changes resulting in additional premium or credit will be reflected on the next installment billing notice. Premium notices sent prior to the change remain due as billed. We do not adjust premium notices already released. 	
Fees	Installment Fees	A \$5.00 fee is charged for each installment, except on Automatic Recurring installments. The outstanding premium balance may be paid at anytime to avoid subsequent service fees.
	Bank Returned Checks	A \$25.00 fee will be charged on all checks returned by a bank or other institution.
	Automatic Recurring Returned	A \$25.00 fee will be charged on any recurring payment that is rejected by the processing bank.
Installment Billing	<p>Billed installments need to be paid by the installment due date.</p> <ul style="list-style-type: none"> • If the billed installment is not paid by the installment due date, a Final Reminder will be mailed. If the installment is received within 10 days, we will continue the coverage without interruption and avoid a Notice of Cancellation. • If the installment is not received within 10 days of the Final Reminder, a Cancellation Notice will be mailed. If the past due amount is not received by the effective date of the Cancellation Notice, the policy will cancel effective the date noted on the Cancellation Notice. 	

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Territories/Premium Table

Protection Class	TERRITORIES											
	07		09, 39-45		31-37		47-50		51-53		54-58	
	PREMIUM TABLES											
	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame	Masonry	Frame
1 thru 6	N/A	45	N/A	13	N/A	5	N/A	21	N/A	29	N/A	37
7 - 10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Territories												
County/District	Territory	Prem Tbl	Other Perils Tbl	County/District	Territory	Prem Tbl	Other Perils Tbl					
Alameda	55	37	1	Riverside Dist - I Part	50	21	1					
Alpine	45	13	3	Riverside Dist - II Part	52	29	4					
Amador	45	13	3	Sacramento	39	13	3					
Butte	45	13	3	San Benito	45	13 A	3 A					
Calaveras	45	13	3	San Bernardino Dist - I Part	50	21	1					
Colusa	45	13	3	San Bernardino Dist - II Part	52	29	4					
Contra Costa	33	5	2	San Diego Dist - I Part	47	21	1					
Del Norte	37	5	2	San Diego Dist - II Part	53	29	4					
El Dorado	45	13	3	San Francisco	7	45	1					
Fresno	41	13	3	San Joaquin	42	13	3					
Glenn	45	13	3	San Luis Obispo Dist - I Part	36	5	2					
Humboldt	37	5	2	San Luis Obispo Dist - II Part	45	13	3					
Imperial	45	13	3	San Mateo	32	5	2					
Inyo	45	13	1	Santa Barbara Dist - I Part	49	21	1					
Kern	44	13	3	Santa Barbara Dist -II Part	51	29	4					
Kings	45	13	3	Santa Clara	31	5	2					
Lake	45	13	3	Santa Cruz	36	5	2					
Lassen	45	13	3	Shasta	45	13	3					
Los Angeles Dist - I Part	58	37	1	Sierra	45	13	3					
Los Angeles Dist - II Part	9	13	1	Siskiyou	45	13	3					
Madera	45	13	3	Solano Dist - I Part	37	5	2					
Marin	34	5	2	Solano Dist - II Part	45	13	3					
Mariposa	45	13	3	Sonoma	35	5	2					
Mendocino	37	5	2	Stanislaus	43	13	3					
Merced	45	13	3	Sutter	45	13	3					
Modoc	45	13	3	Tehema	45	13	3					
Mono	45	13	3	Trinity	45	13	3					
Monterey	36	5	2	Tulare	45	13	3					
Napa	37	5	2	Tuolumne	45	13	3					
Nevada	45	13	3	Ventura Dist - I Part	49	21	1					
Orange	48	21	1	Ventura Dist - II Part	51	29	4					
Placer	39	13	3	Yolo	39	13	3					
Plumas	45	13	3	Yuba	45	13	3					

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PREMIUM TABLES								
Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents Tbl 2
		Owner	Tenant	Owner	Tenant			
5	\$ 100,000	173.90	217.35	188.60	234.85	5,000	6.90	1.15
	Ea. Add \$1,000	1.50	1.84	1.61	1.96	10,000	12.65	2.30
						15,000	17.25	3.45
						20,000	23.00	3.45
						25,000	27.60	4.60
						30,000	33.35	5.75
						35,000	37.95	6.90
						40,000	43.70	8.05
						45,000	48.30	9.20
						50,000	54.05	9.20
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	1.04

Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents Tbl 3
		Owner	Tenant	Owner	Tenant			
13	\$ 100,000	207.25	260.15	230.25	286.60	5,000	11.50	1.15
	Ea. Add \$1,000	1.73	2.19	1.96	2.42	10,000	19.55	2.30
						15,000	27.60	3.45
						20,000	35.65	3.45
						25,000	43.70	4.60
						30,000	51.75	5.75
						35,000	59.80	6.90
						40,000	69.00	8.05
						45,000	77.05	9.20
						50,000	85.10	9.20
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	1.61

Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents
		Owner	Tenant	Owner	Tenant			
13 A San Benito County Only	\$ 100,000	195.01	244.61	316.32	269.66	5,000	10.81	1.08
	Ea. Add \$1,000	1.63	2.06	1.84	2.28	10,000	18.38	2.16
						15,000	25.94	3.24
						20,000	33.51	3.24
						25,000	41.08	4.32
						30,000	48.65	5.41
						35,000	56.21	6.49
						40,000	64.86	7.57
						45,000	72.43	8.65
						50,000	79.99	8.65
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	1.51

Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents Tbl 1
		Owner	Tenant	Owner	Tenant			
21	\$ 100,000	138.00	176.20	150.90	190.90	5,000	5.75	1.15
	Ea. Add \$1,000	1.15	1.50	1.27	1.61	10,000	10.35	2.30
						15,000	14.95	3.45
						20,000	19.55	3.45
						25,000	24.15	4.60
						30,000	28.75	5.75
						35,000	33.35	6.90
						40,000	37.95	8.05
						45,000	41.40	9.20
						50,000	46.00	9.20
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	0.92

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PREMIUM TABLES								
Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents Tbl 4
		Owner	Tenant	Owner	Tenant			
29	\$ 100,000	165.60	207.25	192.05	230.25	5,000	9.20	1.15
	Ea. Add \$1,000	1.38	1.73	1.61	1.96	10,000	16.10	2.30
						15,000	23.00	3.45
						20,000	28.75	3.45
						25,000	35.65	4.60
						30,000	42.55	5.75
						35,000	49.45	6.90
						40,000	56.35	8.05
						45,000	63.25	9.20
						50,000	69.00	9.20
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	1.38

Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents Tbl 1
		Owner	Tenant	Owner	Tenant			
37	\$ 100,000	150.90	188.60	165.60	207.25	5,000	6.90	1.15
	Ea. Add \$1,000	1.27	1.61	1.38	1.73	10,000	12.65	2.30
						15,000	17.25	3.45
						20,000	23.00	3.45
						25,000	27.60	4.60
						30,000	33.35	5.75
						35,000	37.95	6.90
						40,000	43.70	8.05
						45,000	48.30	9.20
						50,000	54.05	9.20
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	1.04

Premium Table	Building Limit	1 Family		2 Family		Contents Limit		Ext Cov Contents
		Owner	Tenant	Owner	Tenant			
45	\$ 100,000	188.60	234.85	207.25	260.15	5,000	8.05	1.15
	Ea. Add \$1,000	1.61	1.96	1.73	2.19	10,000	13.80	2.30
						15,000	19.55	3.45
						20,000	26.45	3.45
						25,000	32.20	4.60
						30,000	37.95	5.75
						35,000	43.70	6.90
						40,000	49.45	8.05
						45,000	56.35	9.20
						50,000	62.10	9.20
		For 3 or 4 Family Dwellings, multiply 1 Family Owner/Tenant rate by 1.40					Each Addl \$1,000	1.15

Standard/Preferred Rating		Factor
Standard:	Over 35 years of age	
Preferred:	Less than 35 years of age	0.85

Deductible Factor				
Deductible	\$ 250	\$ 500	\$ 1,000	\$ 2,500
Fire - Building	0.96	0.90	0.83	0.78
ECE,V&MM & Special	0.93	0.83	0.68	0.50

Step 1 - Determine Building Premium based upon Territory/Premium Table, and building limit

Step 2 - Apply 3 or 4 Family Dwellings by 1.40 of 1 Family Rate, if applicable

Step 3 - Apply Preferred Factor, if applicable

Step 4 - Apply resulting premium from Step 3 by applicable Deductible Factor

Result = Base Building Premium

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Other Perils Tables				
Table 1				Refer to Territories Table to determine Table
	ECE	V&MM	Special	
50,000	19.550	5.750	44.850	
Add'l 1,000	0.345	0.115	0.805	
Table 2				
	ECE	V&MM	Special	
50,000	23.000	5.750	51.750	
Add'l 1,000	0.460	0.115	0.920	
Table 3				
	ECE	V&MM	Special	
50,000	25.300	5.750	57.500	
Add'l 1,000	0.460	0.115	1.035	
Table 4				
	ECE	V&MM	Special	
50,000	32.200	5.750	73.600	
Add'l 1,000	0.575	0.115	1.380	
Table 3A San Benito Co Only				
	ECE	V&MM	Special	
50,000	23.782	5.405	54.050	
Add'l 1,000	0.432	0.108	0.973	

Extended Replacement Costs	10.00
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Ordinance or Law	
Age of Bldg.	% to Apply to Adjusted Fire Base Prem
1 to 5 yrs old : 1%	0.01
6 yrs old : 2%	0.02
7 yrs old : 3%	0.03
8 yrs old : 4%	0.04
9 yrs old : 5%	0.05
10 yrs old : 6%	0.06
11 yrs old : 7%	0.07
12 yrs old : 8%	0.08
13 yrs old : 9%	0.09
14 yrs old : 10%	0.10
15 to 20 yrs old : 11%	0.11
21 to 35 yrs old : 15%	0.15
36 yrs old : 20%	0.20

Fair Rental Value & Additional Living Expense Increased Coverage		
San Benito Co	All Other Co's	
1.3932	1.4835	Fire Protection Class 1-6
0.6912	0.736	Special Form
2.0844	2.2195	Cost per \$1,000

OL&T Liability									
Table 1: Liability Rates All Other Counties					Table 2: Liability Rates San Benito County				
Units	100,000	300,000	500,000	1,000,000	Units	100,000	300,000	500,000	1,000,000
1	47.15	58.65	63.25	70.00	1	44.32	55.13	59.46	66.00
2	92.00	113.85	123.05	137.00	2	86.48	107.02	115.67	129.00
3	221.95	274.85	297.85	329.00	3	208.63	258.36	279.98	309.00
4	221.95	274.85	297.85	329.00	4	208.63	258.36	279.98	309.00

Personal Injury				
Table 2: Liability Rates - All Counties				
Units	100,000	300,000	500,000	1,000,000
1	10.00	13.00	19.00	19.00
2	10.00	13.00	19.00	19.00
3	10.00	13.00	19.00	19.00
4	10.00	13.00	19.00	19.00