

California Difference in Conditions Insurance Program

POLICY FORMS DIC-3, DIC-4 & DIC-6

California Difference In Conditions Insurance Program

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1. Policy Forms and Primary Coverage Limits

DESCRIPTION	POLICY FORM	PRIMARY COVERAGE	MINIMUM	MAXIMUM
HOMEOWNER	DIC-3	A (Dwelling)	\$50,000	\$3,500,000*
RENTER	DIC-4	C (Personal Property)	\$1,000	\$1,500,000*
UNIT-OWNER	DIC-6	C (Personal Property)	\$1,000	\$1,500,000*

Note: The minimum Coverage A (Dwelling) limit for mobile/manufactured homes is \$15,000

* Maximum limits above the California FAIR Plan maximum limit or above the program new business acceptability limit at the time of policy issuance or renewal are not permitted.

2. Eligibility

A homeowner (DIC-3) policy is available for residential dwellings with one to four units used principally for private residential purposes, including townhomes, mobile and manufactured homes where the insured owns the structure. The dwelling can be titled in the name of the named insured, a trust owned/controlled by the named insured or in the name of a corporation, association, business, church or non-profit organization. However, if the dwelling is titled in the name of a corporation, association, business, church or non-profit organization, then the "Corporate Owned Property Surcharge" must be applied. The dwelling can be primary owner-occupied, vacant, seasonally occupied or rented to only one tenant/family per unit. Each unit must be individually and uniquely identified on the premises. Units that are sometimes rented through home sharing businesses or as a vacation rental are acceptable but must be written with an occupancy type of "Vacation Rental". Vacation Rental occupancy can be added to an existing policy at any time but can only be removed at renewal.

Primary owner-occupied policies are where the owner resides full-time in the dwelling being insured as a primary residence and, in the case of a multi-unit dwelling, no other unit within the dwelling is rented. Tenant occupied policies are where at least one dwelling or unit within a dwelling is occupied as a residence premises by a tenant of the named insured.

For condominium risks, a unit-owners policy (DIC-6) is available. Primary owner-occupied, seasonally occupied, tenant, vacation rental and vacant occupancies are all accepted for DIC-6 policies.

A renters' (DIC-4) policy is available for tenants needing contents (Personal Property) and liability coverage.

Subletting of any property or unit is not allowed.

3. Policy Term

Policies will be written for a maximum 12-month term only. An initial term less than 12-months can only be written to ensure that the policy expiration date coincides with the expiration date of another insurance policy held by the named insured (for example, a California FAIR Plan policy). If the initial term is less than 12-months, the premium (not the fees) will be prorated. The minimum initial policy term is 6 months. Any minimum premium applicable to this program still applies.

Direct bill premium invoicing is available. An \$8 service fee is added to all installment payments, but not the initial down payment. The service fee is reduced to \$5 if installments are paid electronically using automatic payments.

Escrow bill is also available for both new and renewal terms for homeowner and unit-owner policies.

4. Other Insurance

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the policy issued pursuant to this program. For example, fire insurance is permitted.

5. Application and Binding

All application questions must be fully completed by the producer and the applicant. After the policy has been bound and a policy number has been issued, the application must be signed by both the producer and the applicant. The application and any supporting documentation must be maintained by the producer and is subject to current submission procedures. The company provided electronic application must be used for all new business. Please contact customer service with any questions.

6. Inspections, Policy Fees and Minimum Premiums

A. Inspection Schedule

An inspection is performed on all new DIC-3 (homeowner) and DIC-6 (unit-owner) policies. Follow-up inspections are performed on all Homeowner renewal policies and on every other Unit-Owner renewal.

B. Policy and Inspection Fees

There is a \$35 policy fee charged for each new and renewal policy. In addition, when an inspection is performed, there is a \$50 inspection fee charged. All fees are fully earned and non-refundable. Please understand that binding or submitting a policy triggers hard costs to the company. It is important to adhere to all underwriting rules. Please also be sure to inform your client when an inspection will occur.

C. Minimum Premiums

The minimum written premium, not including fees, is \$350.

7. Catastrophe Management and Capacity Restrictions

A. Catastrophe Management

In order to effectively manage large-scale events and protect all policyholders, the company may establish restrictions on binding authority. When binding authority is restricted, no applications for new policies will be accepted. In addition, requests to change coverage to existing policies in the restricted area that have the effect of increasing the company's exposure will not be allowed. Such restrictions will not impact normal policy renewals.

These restrictions are triggered automatically whenever an earthquake registering 5.0 or greater in magnitude on the Richter scale occurs and impacts all business within 150 miles of the epicenter of the earthquake for 30 days or until such time as the restrictions are lifted by the company. Additionally, these restrictions exist anytime a risk may reasonably be impacted by a proximate event, such as flood, severe storm, wildfire or other catastrophic event, whether natural or man-made.

Please be mindful of restrictions when submitting business or requesting changes to existing policies. We will make every attempt to provide timely updates on the company's website as events unfold that trigger restrictions.

B. Capacity Restrictions

The Company may establish temporary and/or permanent restrictions on the issuance of policies to properly manage geographic concentration levels and overall portfolio exposure. Territories are defined at the zip code level. Geographic concentration restrictions will be triggered if a zip code contains 2.5% or more of the total insured value (TIV) of the overall program portfolio. Portfolio exposure restrictions will be triggered if any 5-mile radius area contains a TIV at or above 50% of the carrier's maximum reinsurance limit for the portfolio on either the current or upcoming reinsurance treaty term.

8. Perils Insured – Section I

A. Coverage A (Dwelling) and Coverage B (Other Structures)

The DIC-3 policy provides coverage on an Open Perils basis for Coverages A and B. The DIC-6 policy also provides open peril Coverage A as a secondary coverage (Coverage C is the primary coverage for DIC-6 policies).

B. Coverage C (Personal Property)

The DIC-3, DIC-4 and DIC-6 policies provide coverage on a Named Perils basis for Coverage C.

C. Important DIC Policy Coverage Limitations

The DIC policies in this program exclude and do not provide any coverage for the following perils:

1. Fire or Lightning
2. Internal Explosion, meaning explosion occurring in the dwelling or other structure covered in the insured location or in a structure containing personal property covered
3. Windstorm or Hail
4. Explosion
5. Riot or Civil Commotion
6. Aircraft, including self-propelled missiles, spacecraft and drones
7. Vehicles
8. Smoke, meaning sudden and accidental damage from smoke, soot, ash or char even if caused by a brush or wildfire.
9. Volcanic Eruption
10. Vandalism or Malicious Mischief
11. Any loss excluded in Section I – Exclusions

For all policies, coverage for the perils listed above must be obtained from another policy, typically a California FAIR Plan policy. Please read the DIC policy carefully.

9. Loss Settlement Provisions

A. Section I – Property

1. Homeowner

Losses under the Section I (Property) portion of each policy are settled on a replacement cost basis without a deduction for depreciation, provided the policy maintains coverage to the full estimated replacement value of the dwelling. Coverages A (Dwelling) and B (Other Structures) can be optionally changed to actual cash value (ACV) coverage. Coverage for the roof is on an ACV basis. Please check your policy for details.

2. Unit-Owner and Renter

Section I losses are settled on an actual cash value basis. Replacement cost coverage is available for personal property (Coverage C) for an additional charge. Please check your policy for details.

B. Section II – Liability

Please note that losses under the Section II (Liability) portion of each policy contain various limitations and exclusions, most of which are generally customary within the residential property insurance industry. In addition, the Seaview policy form does not provide liability coverage for losses arising from the use of a trampoline or from the use of a pool slide, diving board or similar structure (coverage is excluded via mandatory endorsements). In addition, the limited animal liability endorsement excludes liability coverage for losses stemming from any of the following animals:

- Pit Bull, Doberman Pincer, Rottweiler, German Shepherd, Chow, Akita, Husky, Malamute, Mastiff, Stafford Shire Terrier (including mixed breed with include any of the above); or
- Any dog known by breed to be vicious or any risk where a previous bite history exists; or
- Farm animals, exotic or unusual pets, including but not limited to horses, cows, sheep, goats, chickens, snakes, etc.

The above is not a complete exhaustive list of coverage limitations. Please read the policy and all endorsements carefully.

10. Unacceptable Risks

A. Unacceptable Locations

1. Risks that are not accessible by emergency equipment on the ground.
2. Risks located in any area of increased flood, wave wash, sinkhole, mudslide, or similar peril.
3. A risk location that is not acceptable at the time of issuance in accordance with the Catastrophic Management and Capacity Restrictions rules of this program.

B. Unacceptable Properties

1. Properties or structures not showing pride of ownership in terms of their general condition, including the maintenance, repair or improvements thereof.
2. Properties with a swimming pool, hot tub, spa or similar structure not well maintained and completely fenced and fully complying with all local county or city regulations. Pools that are drained in the winter due to the risk being located in a cold climate, but meet all other requirements are acceptable.
 - (a) Swimming pool slides, diving boards and similar structures are permitted but no liability coverage for them is afforded.
3. Properties with abandoned non-operational vehicles or where company vehicles are being stored.
4. Properties with discarded appliances that are not in use.
5. Properties with business operations performed on premises where there is increased liability exposure due to foot traffic (customers, clients, etc.) The company won't outright decline a risk where the applicant works from home unless there is an increase in liability exposure.
6. Properties with detached other structures or outbuildings that exceed 1,200 square feet of ground floor area.
7. Properties with a fence, gate or portion thereof in disrepair.
8. For DIC-4 and DIC-6 policies, buildings over three (3) stories must have enclosed stairwells and no exterior fire escapes.
9. For DIC-4 and DIC-6 policies, buildings with lobbies must have 24-hour security or buzzer systems to gain access.
10. Properties owned by a well-known personality that increases exposure.

C. Unacceptable Dwellings (DIC-3 Only)

1. Dwellings built prior to 1900.
2. Dwellings undergoing extensive repair or remodeling that effects habitability. Course of construction risks are not acceptable.
3. Dwellings of unusual, unique or cantilevered construction.
4. Dwellings with unrepaired damage (including earthquake damage), open or pending claims, or with any known potential defects, claims disputes, property disputes or lawsuits.
5. Dwellings not insured to 100% of estimated replacement cost. Please note a 3% annual inflationary adjustment will automatically be included at each policy renewal.
6. Dwellings without deadbolts on all doors that provide direct access to the dwelling and/or garage.
7. Dwellings where the foundation is built on a slope of 50 degrees or greater. Dwellings where the foundation is built on a slope of 30-49 are subject to a premium surcharge.
8. Dwellings without a permanent stable foundation that is fully enclosed. Decks attached to the dwelling and supported by post and pier construction are accepted and do not need to be fully enclosed.
9. Dwellings with a roof in disrepair or deemed in poor condition per Section 16 (Roofs) of this manual.
10. Dwellings with trees overhanging the roof, deemed by the company to present a hazard.
11. Dwellings without any utility service.
12. Dwellings without all pressurized plumbing constructed entirely of copper, galvanized steel, polyvinyl chloride (PVC or C-PVC), or cross-linked polyethylene (PEX) with an appropriate size manifold. Dwelling with any portion of pressurized plumbing constructed of any other material, such as but not limited to polybutylene (PB) are unacceptable. This rule does not apply to drainage or exterior landscape irrigation systems.

D. Unacceptable Risks

1. Risks with any illegal activity performed on premises.
2. For DIC-3 or DIC-6 policies, risks occupied as rooming houses, fraternities, sororities, student housing or other similar types of occupancies.
3. Risks where space is rented to others for any commercial activity.
4. Risks with more than two (2) paid losses in the last 60 months.
5. Risks with an individual or private party as the first or primary lender.
6. Applicants presently undergoing any foreclosure proceedings.
7. Any property with a tenant in possession adverse to owner.
8. For Homeowner policies, the named insured must have legal title to the land upon which the dwelling is located.
9. Commercial risks.
10. Properties with any hazard or exposure that increases the chance of injury or illness to others.
11. For DIC-3 or DIC-6 policies, any risk with more than two mortgagees or lenders.

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12. For DIC-3 or DIC-6 policies, any risk recently purchased through foreclosure or bankruptcy proceedings (within 6 months of the requested policy effective date), unless the policy deductible is doubled for the first 90 days of the policy, subject to a \$2,000 minimum.
13. Any risk with more than eight (8) individuals residing in the residence premises or on the insured location.
14. For tenants, all unrelated individuals living together are acceptable if they either (1) have their own Renters policy or (2) are listed as a named insured on the same DIC-4 policy with the property value combined or (3) are excluded from the policy.

11. Coverage Options

Unless otherwise specified charges and credits are applied to the Basic Premium. See the premium computation section to determine the Basic Premium.

A. Dwelling (DIC-3 & DIC-6 only)

Coverage A (Dwelling) is the primary coverage for DIC-3 policies and must be at 100% of the estimated replacement cost of the insured dwelling, rounded to the next \$1,000 increment at policy inception. A 3% annual inflation adjustment is made to the Coverage A, B, C and D limit at each policy renewal.

For DIC-6 policies, Coverage A is applied on a named peril basis to cover interior additions and alterations made to the unit by the insured.

1. Actual Cash Value Coverage (DIC-3 only)

Dwelling (Coverage A, Other Structures (Coverage B), and Personal Property (Coverage C) have losses settled on a replacement cost basis in the Homeowners (DIC-3) policy. For a 10% credit, you can elect to have these losses settled on an Actual Cash Value (ACV) basis.

ATTACH: Endorsement ASIS-END-O31S, Actual Cash Value Loss Settlement

2. Limited Water Coverage (DIC-3 & DIC-6 only)

Coverage for sudden and accidental water losses are excluded in both the Section I (Property) and Section II (Liability) portions of all policy forms. Limited water coverage is included via endorsement with a limit of 7.5% of the Coverage A limit for DIC-3 policies and 5.0% of the Coverage A limit for DIC-6 policies. The following optional water coverage limits are available. Please note that this limited water coverage does not apply to water backup coverage, which can be purchased separately.

LIMIT	DIC-3 CHARGE	DIC-6 CHARGE
5.0% OF COVERAGE A	-5.0%	Included
7.5%	Included	+5.0%
10.0%	+5.0%	+10.0%
15.0%	+10.0%	+15.0%
20.0%	+15.0%	+20.0%

ATTACH: Endorsement ASIS-END-O30D, Limited Water Coverage

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3. Ordinance or Law Coverage (DIC-3 & DIC-6 only)

DIC-3 and DIC-6 policies exclude building ordinance or law coverage, meaning the cost of enforcing any building ordinance or law regulating the construction, repair or demolition of a covered structure. For a charge, 10%, 15% or 20% of your Coverage A (Dwelling) limit can be used to satisfy the cost of complying with such ordinances or laws.

AMOUNT OF COVERAGE A LIMIT	CHARGE
10%	5%
15%	7%
20%	9%

ATTACH: Endorsement ASIS-END-O4D, Ordinance or Law Coverage

4. Water Backup (DIC-3 & DIC-6 only)

All policies exclude water that backs up through a sewer or drain. For an additional charge, water backup coverage can be added at the limits specified below. Please note that this coverage does not cover sump pumps or water that backs up due to a failed sump pump.

WATER BACKUP LIMIT	CHARGE
\$2,500	\$50
\$5,000	\$85
\$10,000	\$115

ATTACH: Endorsement ASIS-END-O3D, Water Backup Coverage

5. Limited Asbestos and Lead Coverage (DIC-3 & DIC-6 only)

For a charge of \$25, this endorsement provides up to \$2,000 of the Coverage A limit to be used for coverage for the testing or remediation of asbestos or lead that is necessary to proceed with an otherwise covered loss. The exclusion regarding testing or remediation of asbestos or lead in the absence of a loss that is caused by a Peril Insured Against in the policy remains intact.

ATTACH: Endorsement ASIS-END-O29D-DIC, Limited Asbestos and Lead Coverage for DIC

6. Coverage A Increase (DIC-6 only)

DIC-6 policies include \$5,000 of Coverage A (Dwelling) limit. This limit can be increased in \$1,000 increments for an additional charge of \$7.00 for each \$1,000 of additional coverage, up to a maximum limit of \$300,000.

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7. Loss Assessment Coverage (DIC-3 & DIC-6 only)

The basic policy includes \$1,000 of loss assessment coverage. This limit can be increased up to \$25,000 at the rate indicated:

PROGRAM	RATE
HOMEOWNER (DIC-3)	\$3 per additional \$1,000
UNIT-OWNER (DIC-6)	\$4 per additional \$1,000

8. Wildfire Defense Services (DIC-3 only)

This coverage provides authorization for a wildfire defense service provider, contracted by, to perform wildfire mitigation, including structural protection services, at the insured dwelling location. Please review endorsement form ASIS-END-M45S for more details. This coverage is not available for manufacturer/mobile homes.

PROGRAM	RATE
HOMEOWNER (DIC-3)	\$60

ATTACH: Endorsement ASIS-END-O29D-DIC, Limited Asbestos and Lead Coverage for DIC

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B. Other Structures (DIC-3 only)

Coverage B (Other Structures) is provided with a limit equal to 10% of the Coverage A limit.

1. Increased Limit

The Coverage B limit can be increased to a maximum of 50% of the Coverage A limit, subject to a maximum limit of \$500,000, at a rate of \$2.50 per additional \$1,000 in coverage. A 3% annual inflation adjustment is made to the Coverage B limit at each policy renewal.

C. Personal Property

1. Homeowner (Increased or Reduced Limit)

The DIC-3 policy includes a Coverage C (Personal Property) limit equal to 30% of the Coverage A limit at no additional charge subject to a maximum limit of \$500,000, with losses settled on a replacement cost basis. The Coverage C limit can be reduced to a minimum of 10% of the Coverage A limit or increased to a maximum of 70% of the Coverage A limit, but not more than the maximum allowable limit. Coverage C is changed at a rate of \$1.00 per \$1,000 in coverage. A 3% annual inflation adjustment is made to the Coverage C limit at each policy renewal. Vacant risks are not eligible for Coverage C (Personal Property) coverage.

2. Theft Coverage

The basic policy includes theft coverage for Personal Property (Coverage C) up to \$5,000 if the dwelling is occupied on a primary, seasonal or rental basis. Vacant risks are not eligible for theft coverage. For DIC-4 risks, use the primary owner-occupied rate. For the rate indicated below, optional increased theft coverage limits are available. The theft coverage limit cannot exceed the Coverage C limit.

Theft Limit	Primary Owner-Occupied Rate	Seasonal, Tenant-Occupied, Vacation Rental
\$5,000	Included	Included
\$10,000	\$20	\$40
\$15,000	\$25	\$50
\$25,000	\$30	\$60
\$50,000	\$50	\$100
\$100,000	\$85	Not Available

ATTACH: Endorsement ASIS-END-M44S, Theft Exclusion for all Vacant Risks

3. Increased Coverage C Sublimits for Certain Property

All policies include sublimits for certain items under Coverage C (Personal Property). However you can increase the sublimit for many of the categories. Vacant risks are not eligible for Coverage C (Personal Property) coverage. Please refer to Endorsement ASIS-END-07D, Increased Coverage C Sublimits for Certain Property for the full details.

The charge to increase the sublimit for these categories of personal property is \$85.

ATTACH: Endorsement ASIS-END-07D, Increased Coverage C Sublimits for Certain Property

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4. Replacement Cost Coverage (DIC-4 & DIC-6 only)

Coverage C (Personal Property) is the primary coverage for DIC-4 and DIC-6 policies, with losses settled on an Actual Cash Value (ACV) basis. Replacement cost coverage can be purchased for an additional charge of \$1 per \$1,000 in coverage.

ATTACH: Endorsement ASIS-END-O5D, Replacement Cost Coverage for HO-4 & HO-6 Policies

D. Loss of Use

Coverage D (Loss of Use) is included with a limit equal to 10% of the Coverage A (Dwelling) limit for DIC-3 policies or 10% of the Coverage C (Personal Property) limit for DIC-4 and DIC-6 policies.

1. Increased Limit

The Coverage D limit can be increased to a maximum of 30% of the Coverage A limit, subject to a maximum limit of \$300,000 for Homeowner policies or to a maximum of \$100,000 for Renter and Unit-Owner policies. The charge is \$2.00 per \$1,000 of coverage. For Homeowner policies, a 3% annual inflation adjustment is made to the Coverage D limit at each policy renewal, subject to a maximum limit of \$300,000.

2. Evacuation Reimbursement Coverage

All primary occupancy policies include \$500 of evacuation reimbursement coverage at no charge. This coverage reimburses you for your actual expenses incurred for housing and meals that are required due to a mandatory evacuation of your property, when there is no loss of use coverage provided by your companion fire policy (i.e.: the California FAIR Plan or equivalent policy). This situation typically occurs when you are forced to vacate your home due to a mandatory evacuation and return to find no damage to your home.

Evacuation Reimbursement Coverage can be increased or decreased to the following available limits.

LIMIT	RATE
\$500	Included
\$1,000	\$25
\$2,500	\$50

ATTACH: Endorsement ASIS-END-O32S, Evacuation Reimbursement Coverage

E. Personal Liability

All policies are issued with a Coverage E (Personal Liability) limit of \$100,000. In addition, primary owner-occupied policies are issued with limited animal liability coverage of \$10,000. Occupancies other than primary use the Coverage L – Premises Liability endorsement (ASIS-END-M43S).

1. Increased Limit

The Coverage E limit can be changed to the following limits at the rate indicated:

LIMIT	RATE
\$25,000	-\$75
\$50,000	-\$35
\$100,000	Included
\$200,000	\$40
\$300,000	\$75
\$500,000	\$175
\$1,000,000 (VACATION RENTAL ONLY)	\$350

2. Animal Liability – Primary Occupied Risks Only

Animal liability is excluded for all policies. Primary owner-occupied policies are issued with a limited animal liability endorsement attached that provides up to \$10,000 of coverage. The endorsement excludes coverage for certain breeds of dogs (ex: Pit Bull, Rottweiler, German Shepherd, etc.), any animal with a bite history or known to be vicious, or for farm, exotic or unusual pets (please read the endorsement carefully). The animal liability limit can be increased to the following limits at the rate indicated. Please also note that the animal liability limit cannot exceed the personal liability limit and is not available for occupancies other than primary owner-occupied.

PRIMARY OWNER-OCCUPIED LIMIT	RATE
\$10,000	Included
\$25,000	\$50
\$50,000	\$100

ATTACH: Endorsement ASIS-END-M26S-HO, Animal Liability Coverage

3. Personal Injury Coverage

Personal injury coverage is excluded unless added by endorsement. This coverage can only be purchased at the limit that is equal to the policy's Coverage E (Liability) limit at the rate indicated.

LIMIT	RATE
\$25,000	\$15
\$50,000	\$20
\$100,000	\$25
\$200,000	\$35
\$300,000	\$45
\$500,000	\$55
\$1,000,000	\$110

ATTACH: Endorsement ASIS-END-O10D, Personal Injury Coverage

F. Medical Payments to Others

Coverage F (Medical Payments to Others) is included for all primary owner-occupied policies with a limit of \$1,000. Occupancies other than primary use the Coverage M – Premises Medical Payments to Others endorsement (ASIS-END-M43S).

This coverage can be increased to the following limits at the rate indicated:

LIMIT	RATE
\$1,000	Included
\$2,000	\$3
\$3,000	\$5
\$5,000	\$9
\$7,500	\$14
\$10,000	\$22

G. Deductibles

The following deductible options are available (please note that a separate deductible applies to earthquake coverage when purchased): The applicable deductible for damage caused by a tenant is the greater of \$5,000 or the policy deductible listed on the Declarations page.

DEDUCTIBLE	CREDIT / CHARGE
\$500	10%
\$1,000	Base
\$2,500	-5%
\$5,000	-10%
\$7,500	-15%
\$10,000	-20%

ATTACH: Endorsement ASIS-END-M16S, Increased Deductible for Damage Caused by Tenants

H. Equipment Breakdown Coverage

Equipment breakdown coverage can be added to all policies, unless the occupancy is vacant. Equipment Breakdown coverage has a \$500 deductible per equipment breakdown occurrence and is subject to a \$100,000 per occurrence limit with a \$10,000 per occurrence sublimit for expediting expense, spoilage and pollutant cleanup and removal. Rates for DIC-3 policies are based on the Coverage A limit (see rate table below). The rate is \$25 for DIC-4 and DIC-6 policies.

DIC-3 COVERAGE A LIMIT	RATE
\$0 - \$500,000	\$35
\$500,001 - \$1,000,000	\$70
\$1,000,001 - \$2,000,000	\$111
\$2,000,001 - \$3,000,000	\$185
DIC-4 & DIC-6 POLICIES	\$25

ATTACH: Endorsement DB-END-O33S-DIC, Equipment Breakdown Coverage

I. Golf Cart Coverage (DIC-3 only)

This optional coverage provides for loss or physical damage to golf carts up to \$3,500. In addition, liability coverage is extended to apply to non-commercial use of golf carts up to the limit shown on the Declarations Page for Personal Liability. The coverage is \$35.00 per unit and is not available for vacant risks.

ATTACH: Endorsement ASIS-END-O21D, Golf Cart Coverage

J. Trip Collision Coverage (DIC-3 only)

Trip collision coverage provides for loss caused by collision to the manufactured home while it is being moved or in transit. A premium charge of \$100 per section, per trip will be applied. A \$250 deductible applies to this coverage.

ATTACH: Endorsement ASIS-END-O24D, Trip Collision Coverage

12. Credits and Surcharges

Unless otherwise specified charges and credits are applied to the Basic Premium. See the premium computation section to determine the Basic Premium.

A. Burglar Alarm Discount

If the home has an installed burglar alarm system that is connected to a remote 24-hour central station service, police or fire department, the home qualifies for a 5% credit. Burglar alarms must be full perimeter and/or motion detecting systems. Motion detectors that are only audible locally and not connected to a central, monitored service do not qualify.

ATTACH: Endorsement ASIS-END-O12D-DIC, Premises Burglary Alarm System

B. Newly Acquired Discount – Homeowner and Unit-Owners Only

If the risk closed escrow or lease was entered into within the past 9 months, a 9% credit is applied to the basic premium for one policy term. At the next renewal, the discount is reduced to 6%. At the second policy renewal, the discount is reduced to 3% and is removed thereafter.

C. Loss Experience and Loyalty Credit

Applicants with more than 2 paid losses in the past 60 months are not eligible for this program. The following discounts and charges apply based on the Named Insured's loss history within the last 60 months.

LOSSES IN LAST 60 MONTHS	NEW BUSINESS	1 ST RENEWAL	2 ND RENEWAL	3 RD RENEWAL	4 TH RENEWAL	5 TH AND ALL SUBSEQUENT RENEWALS
NO LOSSES	0%	-3%	-6%	-8%	-10%	-10%
1 LOSS	20%	20%	17%	15%	15%	15%
2 LOSSES	30%	30%	27%	25%	25%	25%

D. Multi-Family Units Surcharge – DIC-3 Only

2 Family (Duplex): 8%

3 Family (Tri-plex): 20%

4 Family (Four-plex): 25%

E. Corporate Owned Property Surcharge – DIC-3 and DIC-6 Only

If the dwelling is owned/titled in the name of a corporation, association, business, church, or non-profit organization, then a 25% surcharge to the Basic Premium is applied.

F. Swimming Pool Surcharge – DIC-3 Only

If the home has a swimming pool, whether in ground or above ground, a \$60 surcharge is applied to the policy.

G. Dwellings Built on Slope Surcharge – DIC-3 Only

If the dwelling's foundation is built on a slope of 30-49 degrees, then a 15% surcharge to the Basic Premium is applied.

13. Scheduled Personal Property

Optional scheduled personal property coverage is available for the following classes of property, which is provided under Section I by endorsement: jewelry, furs, cameras, musical instruments, silverware, golfer's equipment, fine arts, stamp collections, rare and current coins, wine and china/crystal. This coverage supersedes any coverage provided by the basic form. No deductible applies to the coverage provided by this endorsement. Please refer to the scheduled personal property endorsement form for further details.

Applicant must provide current appraisal or bill of sale (within 2 years) for all items scheduled for \$3,000 or more. These appraisals/bills of sale must also contain a full description of each item. These will provide proof of ownership and help establish a value in the event of a claim.

Total Limit (all scheduled personal property): \$50,000
Policy Forms: All (Primary Occupancy Only)

- A. JEWELRY – Individually owned articles of personal adornment composed at least partially of silver, gold, platinum or other precious metals or alloys, whether or not containing pearls, jewels or precious or semi-precious stones.

Maximum Limit (per schedule): \$50,000; Maximum Limit (per item): \$25,000
Rate per \$100: \$2.45 in Los Angeles County, San Francisco County and the city of Palm Springs
Rate per \$100: \$1.50 in Remainder of State

- B. FURS – Furs and garments trimmed with fur or consisting principally of fur.

Maximum Limit (per schedule): \$20,000
Rate per \$100: \$0.90 in Los Angeles County, San Francisco County and the city of Palm Springs
Rate per \$100: \$0.60 in Remainder of State

- C. CAMERAS – Analog and digital motion and still cameras, projection machines, carrying cases, films, lenses, filters, light meters, tripods and related photographic accessories and equipment.

Maximum Limit (per schedule): \$10,000
Rate per \$100: \$1.80

- D. MUSICAL INSTRUMENTS – Musical instruments and miscellaneous property such as sheet music, stands and carrying cases used in connection with musical instruments. Musical instruments are not to be utilized for professional purposes.

Maximum Limit (per schedule): \$15,000
Rate per \$100: \$0.73

- E. SILVERWARE – Silverware, silver-plated ware, gold-ware, gold-plated ware and pewter-ware, but excluding pens, pencils, flasks, smoking implements and accessories, jewelry or articles of personal adornment.

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Maximum Limit (per schedule): \$20,000

Rate per \$100: \$0.51

- F. GOLFER'S EQUIPMENT – Golf clubs, golf bags, golf shoes and golf clothing. Golf equipment are not to be utilized for professional purposes.

Maximum Limit (per schedule): \$10,000

Rate per \$100: \$1.40

- G. FINE ARTS – Paintings, etchings, lithographs, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture and silver, manuscripts and rare books, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

Maximum Limit (per schedule): \$50,000; Maximum Limit (per item): \$25,000

Rate per \$100: \$0.39

- H. STAMP COLLECTIONS – Includes individually owned collections of postage stamps, due, envelope, official revenue, match and medicine stamps, covers, locals, reprints, essays, proofs and other philatelic property, books, pages, and mountings used for storing or displaying these articles. Stamps used for mailing are not allowed.

Maximum Limit (per schedule): \$10,000

Rate per \$100: \$0.50

- I. RARE AND CURRENT COINS – Includes rare and current coins, medals, paper money, bank notes, tokens of money and other numismatic property including albums, containers, and display cabinets in use with such collections.

Maximum Limit (per schedule): \$10,000

Rate per \$100: \$1.95

- J. CHINA/CRYSTAL – Includes ceramic ware or porcelain dinnerware and crystal composed of clear colorless glass of superior quality.

Maximum Limit (per schedule): \$10,000

Rate per \$100: \$1.65

- K. WINE

Maximum Limit (per schedule): \$20,000

Rate per \$100: \$0.55

ATTACH: Endorsement ASIS-END-O6D, Scheduled Personal Property

14. Construction Classifications

(Applies to DIC-3 only)

A. WOOD FRAME

Exterior walls of wood or other combustible construction, including wood ironclad, stucco on wood or plaster on combustible supports or aluminum or plastic siding over frame. Frame construction includes “mixed” frame/masonry when the exterior walls of frame construction (including gables) exceeds 33% of the total exterior wall area. The following types of construction are considered Wood Frame:

- Stucco on Frame
- < 67% Brick Veneer
- Aluminum Siding
- Clapboard Siding
- Vinyl Siding
- Wood Siding
- Stone on Frame
- Cement Fiber Shingles
- Wood Shakes
- Solid Log

B. STEEL

A dwelling with exterior walls of non-combustible construction, including metal or plastic siding, stucco or plaster on steel supports.

C. 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). The following types of construction are considered Masonry:

- > 67% Brick Veneer
- Solid Brick
- Solid Stone
- Concrete Block
- Glass Block
- Tile for Weatherproofing

D. SUPERIOR CONSTRUCTION

A dwelling with exterior walls, roof and floors of non-combustible materials. The following types of construction are considered Superior Construction:

- Non-Combustible – exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials
- Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in C above) and floors and roof of metal or other non-combustible materials
- Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials

E. MANUFACTURED HOME

A “manufactured home” is defined as a factory fabricated, transportable and permanent housing unit. It is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. It may be equipped with 1 or more room sections that fold, collapse, or telescope into the principal unit when being transported and which be expanded at the site.

15. Changes on Policy

It is not permissible to cancel any of the mandatory coverages provided unless the entire policy is cancelled. The mandatory coverages are:

- For a Homeowner (DIC-3) policy: Coverage A, B, C, E and F.
- For a Renter (DIC-4) or Unit-Owner (DIC-6) policy: Coverage C, E and F.

If the policy is cancelled by either the Named Insured or the Company, the return premium shall be 100% of the pro rata unearned premium.

Homeowner policies may not be transferred to another location or assigned. Renter and Unit-Owner policies can be transferred to another location that meets all eligibility requirements and is located within the State of California.

16. Roofs (DIC-3 Only)

A. Roof Age

The signed application will specifically disclose the age of the roof. The age of the roof is determined by subtracting the year the roof was installed from the year that the policy takes effect. The roof age will be updated at each policy renewal.

If the roof age is updated or changed due to roof replacement, a copy of evidence (e.g. – copy of roof manufacturer's warranty indicating replacement date, copy of roof age disclosure statement from real estate transaction, receipt from roofing contractor) showing the date the roof was replaced must be submitted to the company.

B. Roof System Type

Acceptable roof systems for replacement cost coverage are as follows:

1. **Asphalt/Composition** - includes:
 - (a) Asphalt – Shingle (Fiberglass)
 - (b) Asphalt – Shingle (Architectural)
 - (c) Asphalt – Shingle (Architectural – HQ)
 - (d) Composite – Impact Resistance Shingle
 - (e) Composite – Shake
 - (f) Composite – Tile
2. **Slate** – includes:
 - (a) Slate
3. **Metal** – includes:
 - (a) Metal – Copper
 - (b) Metal – Steel
 - (c) Metal – Painted Rib
 - (d) Metal – Corrugated Galvanized
4. **Flat/Built-up/Roll** – includes:
 - (a) Tar and Gravel
 - (b) Built-up
 - (c) Foam Composite
 - (d) Membrane
 - (e) Roll Roofing
5. **Tile** – includes:
 - (a) Tile – Clay/Ceramic
 - (b) Tile – Clay (Mission)
 - (c) Tile – Clay (Spanish)
 - (d) Tile – Concrete
 - (e) Tile – Cement
6. **Wood Shake/Shingle** – includes:
 - (a) Wood – Shake
 - (b) Wood – Shake (Victorian/Scalloped)
 - (c) Wood – Shingle

If the roof system consists of more than one roof type, select the most predominant roof type. Predominant roof type refers to the roof type that covers the greatest percentage of the dwelling.

C. Roof Condition

Roof condition will be verified during the inspection process. The conditions are defined as follows:

Excellent:	No major/minor concerns listed.
Good:	One minor concern listed and no major concern listed.
Fair:	Two minor concerns listed, or one major concern listed.
Poor:	Two or more major concerns listed, or any combination of major and minor concerns, or any unacceptable roof characteristic.

Examples of major concerns, minor concerns, and unacceptable roof characteristics are listed below. Please note that the lists are not exhaustive and Aegis may add, remove, or reclassify concerns at its discretion.

<u>Major Concern</u>	<u>Minor Concern</u>	<u>Unacceptable Roof Characteristic</u>
Blistering	Granule loss	Tree damage
Curling/cupping	Impact marks	Improper installation
Missing/flashing vents		3 or more shingle layers
Cracking		Missing shingles/tiles
Erosion		Exposed felt
Valley concern		
2 shingle layers		
Vent problems		
Rust (Metal/Hail Resistant)		

D. Replacement Cost Roof Coverage

Replacement cost roof coverage is provided for roofing systems in excellent and good condition based on the age and roof type of the roofing system as indicated in the chart below. Regardless of condition, this coverage is not available for vacant risks. Roofing systems in fair condition do not qualify for replacement cost coverage. Risks with roofing systems in poor condition do not qualify for coverage in this program (see Unacceptable Risk rule #C.9. in Section 10) regardless of age. Once an acceptable roof no longer meets the criteria for replacement cost coverage, the roof coverage is changed to actual cash value (ACV) at the next renewal.

Roofing System	Age / Condition of the Roof System	
	Excellent Condition	Good Condition
Asphalt/Composition	1-22	1-15
Slate	1-35	1-28
Metal	1-56	1-34
Flat/Built-up/Roll	N/A	N/A
Tile	1-35	1-28
Wood Shake/Shingle	1-13	1-8

ATTACH: Endorsement ASIS-END-M27D, Replacement Cost Coverage for Roof and Roof Components

18. Forms

COVERAGE FORM						
Form Number	Edition	Title	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Occupancy (P)rimary / (S)easonal / (T)enant / Vacation (R)ental / (V)acant
DB-POL-DIC-3	Ed. 2	Difference in Conditions Policy for Dwellings	DIC-3	M	S	P, S, T, R, V

ENDORSEMENTS						
Form Number	Edition	Title	Program Applicability	(M)andatory / (O)ptional	(D)ynamic / (S)tatic	Occupancy (P)rimary / (S)easonal / (T)enant / Vacation (R)ental / (V)acant
ASIS-END-M1S-CAHO	Ed. 3	California Amendatory Endorsement for Homeowner Policies	DIC-3, DIC-4, DIC-6	M	S	P, S, T, R, V
ASIS-END-M3S	Ed. 1	Registered Domestic Partner Coverage	DIC-3, DIC-4, DIC-6	M	S	P, S, T, R, V
ASIS-END-M4S-HO	Ed. 1	Worker's Compensation for Residence Employees	DIC-3, DIC-4, DIC-6	M	S	P, S, T, R, V
ASIS-END-M7S	Ed. 3	Inflation Guard	DIC-3	M	S	P, S, T, R, V
ASIS-END-M8S	Ed. 1	Property Held by Legal Entity	DIC-3, DIC-6	M	S	P, S, T, R, V
ASIS-END-M14D	Ed. 1	Dwelling Purchased Through Foreclosure	DIC-3, DIC-6	M	D	P, S, T, R, V
ASIS-END-M16S	Ed. 2	Increased Deductible for Loss or Damage Caused by Tenants	DIC-3, DIC-6	M	S	P, S, T, R, V
ASIS-END-M22S	Ed. 1	Terrorism and War Exclusion	DIC-3, DIC-4, DIC-6	M	S	P, S, T, R, V
ASIS-END-M26S-HO	Ed. 3	Animal Liability Coverage	DIC-3, DIC-4, DIC-6	M	S	P, S, T, R, V
ASIS-END-M27D	Ed. 2	Roof Replacement Cost Coverage	DIC-3	M	D	P, S, T, R, V
ASIS-END-M42S	Ed. 2	Subletting Exclusion	DIC-3, DIC-4, DIC-6	M	S	P, S, T, R, V
ASIS-END-M43S	Ed. 2	Premises Liability for Secondary Homes	DIC-3, DIC-6	M	S	S, T, R, V
ASIS-END-M44S	Ed. 1	Theft Exclusion	DIC-3, DIC-6	M	S	V
ASIS-END-O3D	Ed. 2	Water Backup Coverage	DIC-3, DIC-6	O	D	P, S, T, R
ASIS-END-O4D	Ed. 2	Ordinance or Law Coverage	DIC-3, DIC-6	O	D	P, S, T, R, V
ASIS-END-O6D	Ed. 1	Scheduled Personal Property	DIC-3, DIC-6	O	D	P
ASIS-END-O7D	Ed. 3	Increased Coverage C Sublimits for Certain Property	DIC-3, DIC-4, DIC-6	O	D	P, S, T, R
ASIS-END-O10D	Ed. 2	Personal Injury Coverage	DIC-3, DIC-4, DIC-6	O	D	P, S, T, R
ASIS-END-O12D-DIC	Ed. 1	Premises Burglary Alarm System	DIC-3, DIC-4, DIC-6	O	D	P, S, T, R, V
ASIS-END-O29D-DIC	Ed. 1	Limited Asbestos and Lead Coverage for DIC Policies	DIC-3, DIC-6	O	D	P, S, T, R, V
ASIS-END-O30D-DIC	Ed. 1	Limited Water Coverage	DIC-3, DIC-4, DIC-6	O	D	P, S, T, R, V
ASIS-END-O31S	Ed. 1	Actual Cash Value Loss Settlement	DIC-3	O	S	P, S, T, R, V
ASIS-END-O32S	Ed. 1	Evacuation Reimbursement	DIC-3, DIC-4, DIC-6	O	S	P
ASIS-END-O36S	Ed. 1	Non-Primary Occupancy	DIC-3, DIC-6	M	D	S, T, R
DB-END-O33S-DIC	Ed. 1	Equipment Breakdown Coverage	DIC-3, DIC-4, DIC-6	O	S	P, S, T, R
DBCADIC	07/2021	Required Signed Acknowledgment Form for DIC Policies	DIC-3, DIC-4, DIC-6	M	D	P, S, T, R, V