

Markel product manual

Dwelling fire



Table of contents

Target market	3
Program highlights	3
Program definitions	3
General rules	4
Condition	4
Insurance to value	4
Disaster restrictions	5
Brush/wildfire	5
Payment	5
Payment plans	5
Installment fees	6
Bill other	6
Application, referral, and issuance	6
Binding and Eligibility	6
Quoting	6
Referrals	6
Issuance	6
Endorsements	7
Renewals	7
Cancellations	7
Available occupancies by policy form availability	7
Perils insured against by policy form	7
Coverage options	8
Base coverages	8-9
Optional coverages	10-11
Rental factors	11
Discounts and surcharges	12
Additional endorsements	12
Additional coverage availability by policy form/dwelling type	13
Additional coverage availability by state	13
Credits and surcharge availability by state	14
Agent of record	14
Contact Information	15

This manual is intended to provide an overview of the Markel dwelling fire product. State by state variations may occur. This manual is protected by legal privilege and should not be shared with anyone unauthorized.

Target market

The Markel dwelling product is intended to provide competitively priced coverages for a variety of dwelling risk profiles under one comprehensive program. This program has been designed to reach a broad market, including meeting the niche needs of property business that is frequently not supported by the traditional insurance marketplace. However, there remain risk profiles that are outside of our market appetite. Please review our binding and eligibility guidelines for a more detailed description of our acceptability standards, and feel free to consult with our underwriting department with any unique inquiries that you may have.

The following information is intended to provide a summary overview of this program. However, there may be some state-specific variations.

Program highlights

- Two policy forms– Basic, DP-1 and Special, DP-3
- Coverage for secondary/seasonal, landlord (tenant), and vacant risks
- Coverage available for 1-4 unit residential structures and single condominium units (DP-1 only)
- Maximum landlord units:
 - No maximum limit to the number of dwelling properties that an insured may own (whether or not they are insured with Markel). However, it is requested that in such instances that the risk be discussed with our underwriting department prior to binding coverage.
 - No maximum limit to the number of landlord risks that may be scheduled on a single dwelling fire policy. Please utilize the Multiple Risk Policy Questionnaire (MRP) when there are 11 or more locations.

Program definitions

Dwelling	A residential structure containing not more than four dwelling units and not more than three stories.
Condominium unit	A unit within a multi-unit structure that is owned individually and is designated for the insured's exclusive use.
Owner occupied	A dwelling used as the insured's principal residence.
Secondary/seasonal	A dwelling that is not the primary residence of the insured, but used on an intermittent basis by the insured. They may be rented to other individuals for a maximum of 36 weeks per year.
Landlord	A dwelling/condominium unit in which the insured has legal title and is rented to others for residential purposes.
Vacant	A dwelling that is unoccupied and/or being held for sale, whether or not the contents have been removed.
Supplemental heating device	Wood, coal, or pellet burning stoves, fireplace inserts, or any similar heating device that is not centralized.

General rules

Minimum written and earned premium	\$100 (including any insured requested cancellation)
Cancellation	Cancellation may be initiated by the company for the reasons enumerated in the policy conditions. If a policy or form of coverage is cancelled by the company or by the insured, the return premium shall be computed pro rata, subject to any applicable minimum premiums. If a policy or form of coverage is cancelled by the company or by the insured and results in a return premium of \$5.00 or less, such return is waived, except that any actual premium will be returned at the request of the insured.
Changes	All changes requiring adjustments of premium shall be computed pro rata. If a policy is amended and results in a premium adjustment of \$5.00 or less, such adjustment is waived, except that any actual premium will be returned at the request of the insured.
Inspection fee	A fully earned inspection fee is applied to those risks where an inspection report is ordered or required.
Non-sufficient funds fee	A \$25.00 fee will be charged to recover costs associated with processing non-sufficient funds.
Insurance scoring	This product incorporates insurance scoring in rating which provides an objective and consistent tool by which to price the risk. An insurance score is developed using credit report attributes that have been shown to be statistically predictive of claims frequency. Insurance scoring is not utilized in California.
Whole dollar premium	The premium for each exposure shall be rounded to the nearest whole dollar separately for each coverage provided by the policy. A premium involving \$0.50 or more shall be rounded to the next highest whole dollar.

Condition

Dwellings and other structures should be of at least average condition, properly maintained and display a pride of ownership. Roofs and plumbing must not reflect any signs of physical deterioration or damage. The condition of the premises must not have any observable hazards or deficiencies in need of repair that may present an increased exposure to physical damage or liability loss. The presence of pre-existing damage is unacceptable unless documented as to why it exists and plans/timelines to fix it.

Insurance to value

Risks should be appropriately insured to value:

- With proper documentation, it is permitted to deviate above or below the value determined by the cost guide estimator. The MAGIC system will return a response if the requested coverage limit is either too high or low, relative to the cost guide valuation.
- Appropriate inflation adjustments may be made at renewal to ensure that the residence premise continues to be properly insured-to-value.

Disaster restrictions

Binding authority is suspended as a result of approaching or active weather or non-weather events that present a temporary increased exposure to loss. Such events may include: hurricanes, tropical storms, tornados, severe storms, floods, wildfires, earthquake, volcanic eruptions, other natural disasters, terrorism, epidemic, or pandemic disease.

- Binding moratoriums are automatically triggered for any of the following:
 - Those areas of a state that are impacted by a National Weather Service watch, warning, or advisory;
 - Areas of a state that are included within a government-declared area of disaster or emergency;
 - Areas of the state that are under an evacuation order, whether mandatory or voluntary.
- Binding moratoriums shall be considered in effect for any risk located within 20 miles of a wildfire that is not 100% contained.
- The company may alert you to the formal implementation of a binding moratorium through a bulletin. We will alert you with a follow-up communication once a moratorium has been lifted.
- During the time any of these conditions are in effect; do not accept any applications for new coverage. Requests to increase coverage limits or to lower deductibles on existing policies are also prohibited. Producers should not request coverage until they have verified that no restrictions are in effect. During a binding moratorium related to a wind event, physical damage coverage may be written excluding wind, where the windstorm exclusion is available.

Brush/wildfire

Properties identified as being located within known brush or wildfire areas must:

- Be cleared of brush within 150 feet, or up to the property line, whichever is less
- Be clear of any dead or dying plants, shrubs, or brush within 30 feet of the home
- Maintain at least 15 feet of vertical clearance between the home and overhanging tree branches

The Verisk FireLine tool may be utilized in determining acceptability.

Payment

Initial payment is due upon issuance of the policy.

Payment plans

Full pay	Payment due upon the effective date of the policy
2-pay	50% down, 50% due in 90 days
4-pay	25% down, 25% due in 60, 120, and 180 days
8-pay	18% down, 12% due in 60, 90, 120, 150, 210, and 240 days
12-pay	Only available on those policies that have chosen to pay with recurring payments

Installment fees

- \$5 per each non-EFT/ACH installment payment (or as allowed by state regulations)
- \$1 per each EFT/ACH installment payment
- Installment fee is waived on first payment

Bill other

If the bill other option is chosen, the invoice is mailed to the designated party, with all legal documents sent to the named insured.

Application, referral, and issuance

The Markel dwelling fire product is quoted and issued through the MAGIC system. Once a policy has been issued, a fully completed and signed application must be attached to the policy in the MAGIC system. The application will be pre-filled with the information captured during the quoting process.

Binding and eligibility

The binding and eligibility guidelines document along with the MAGIC system will alert you to potential eligibility issues. A warning message will be provided if a risk attribute is entered that renders the risk ineligible. If you receive a message in MAGIC that the risk is ineligible, do not proceed. Should you have questions, please contact personal lines underwriting for clarification. Not all conditions that render a risk ineligible will be flagged by system rules. It is the user's responsibility to be familiar with the binding and eligibility guidelines.

Quoting

There are two options for quoting; a quick rate indication or a full quote.

Rate indication: Limited information is gathered to quickly deliver a rate indication. Use this option for all usages except a landlord risk with multiple units. The rate indication is not an offer of coverage and is subject to all underwriting guidelines. The rate indication assumes that the applicant has not had any losses in the last five years.

Full quote: Fields required to deliver a full quote are highlighted on the owner, location, and underwriting screens; additional information will be required to issue.

If the risk is outside of your authority, a quote indication will be provided. The system will alert you that approval is required. Quotes may be released as an indication without being submitted to the company. When releasing an indication to an applicant, please be sure to notify them that coverage and premium is subject to company review and approval.

A quote is valid for 30 days and must be issued within this window. Otherwise the quote will be required to be refreshed/recalculated using the most current rate profile.

Referrals

In select cases it may be necessary to refer pending MAGIC applications to a Markel Personal Lines underwriter before a risk can be approved and coverage issued. When approved, the agent will be alerted. To expedite the referral process, documents that may be relied upon in the underwriting process must be added as an attachment in MAGIC and cited according to the type of document. For efficiency, referral submissions should only be made via the MAGIC system.

Issuance

If the risk attributes are within an agent's authority or a Markel Personal Lines underwriter has granted approval on a referral, the policy may be issued in MAGIC after completing the fields required for issuance (blue fields) and securing proper payment.

Endorsements

All endorsements are processed in MAGIC. Eligibility and authority are enforced as with new business. MAGIC will also enforce any date restrictions. Any additional premium due will be invoiced.

Renewals

Renewals are direct-bill and are generated by MAGIC according to state required guidelines, but at least 35-days prior to the expiration of the current term. Policies will receive a lapse notice if payment is not received prior to expiration.

Cancellations

Cancellations for non-payment are also generated by MAGIC, according to state-required guidelines.

Available occupancies by policy form

Occupancy	Basic DP-1	Special DP-3
Landlord	Yes	Yes
Owner	No	No
Secondary/Seasonal	Yes	Yes
Vacant	Yes	Yes

Perils insured against by policy form

Perils	Basic DP-1	Special DP-3
<ul style="list-style-type: none"> • Fire or lightning • Internal explosion 	Yes	Yes
<ul style="list-style-type: none"> • Windstorm or hail • Explosion • Riot or civil commotion • Aircraft • Vehicles • Smoke • Volcanic eruption 	Yes	Yes
<ul style="list-style-type: none"> • Vandalism or malicious mischief 	Optional	Yes
<ul style="list-style-type: none"> • Damage by burglars • Falling objects • Weight of ice, snow, or sleet • Accidental discharge of water or steam • Sudden cracking of a steam or hot water heating system • Freezing • Sudden damage from artificial electric currents 	No	Yes
<ul style="list-style-type: none"> • Additional risks with certain exceptions 	No	Yes, for coverages A and B only

Coverage options

Base coverages

	Basic DP-1	Special DP-3
Coverage A - Dwelling	<ul style="list-style-type: none"> Actual cash value loss settlement Named perils Vandalism or malicious mischief coverage is optional The dwelling should be insured to 100% of the actual cash value If the risk is a condominium, this coverage may include alterations, appliances, fixtures, and improvements contained in the unit 	<ul style="list-style-type: none"> Replacement cost loss settlement Open perils subject to certain exceptions Vandalism or malicious mischief is automatically included The dwelling should be insured to 100% of the replacement cost
Coverage B – Other Structures	<ul style="list-style-type: none"> Automatic 10% of the Coverage A limit for DP-1 (non-condo) and DP-3 Coverage B – other structures for DP-1 condominium risks is not available Actual cash value loss settlement; replacement cost coverage is not available Increased limits may be purchased, but not reduced below the automatic 10% level For a DP-1, the automatic 10% reduces the Coverage A limit of liability for the same loss For a DP-3, this is additional coverage above the Coverage A limit Structures should be insured to 100% of their actual cash value, unless excluded 	
Coverage C – Contents	<ul style="list-style-type: none"> Coverage is optional for DP-1 (non-condo) and DP-3 risks, and may be purchased from the first dollar Coverage is mandatory for DP-1 risks that are condominiums with a \$5,000 minimum limit Coverage is automatically provided on an actual cash value basis Replacement cost settlement is optional 	
Coverage D – Fair rental value	<ul style="list-style-type: none"> Applies to dwellings that are landlord Does not apply to dwellings that are seasonal or vacant 	N/A
	<p style="text-align: center;"><u>Non-condo risks:</u></p> <ul style="list-style-type: none"> Automatically covered for 20% of the Coverage A limit Additional limits above the automatic 20% level are available Coverage may not be reduced below the automatic 20% limit Use of the option reduces the Coverage A limit for the automatic 20% limit of coverage for the same loss, but not any for any excess limits that are purchased above the 20% level 	N/A

	Basic DP-1	Special DP-3
Coverage D – Fair rental value (cont.)	<u>Condo risks:</u> <ul style="list-style-type: none"> Automatically covered for 10% of the Coverage C limit Additional limits above the automatic 10% level are available Coverage may not be reduced below the automatic 10% limit 	N/A
Coverage E – Additional living expense	<ul style="list-style-type: none"> Applies to dwellings that are seasonal Does not apply to dwellings that are landlord or vacant 	N/A
	<u>Non-condo risks:</u> <ul style="list-style-type: none"> Automatically covered for 10% of the Coverage A limit Additional limits above the automatic 10% level are available Coverage may not be reduced below the automatic 10% limit 	N/A
	<u>Condo risks:</u> <ul style="list-style-type: none"> Automatically covered for 10% of the Coverage C limit Additional limits above the automatic 10% level are available Coverage may not be reduced below the automatic 10% limit 	N/A
Coverage D/E - Fair rental value and additional living expense	N/A	<ul style="list-style-type: none"> Applies to dwellings that are landlord or seasonal Does not apply to dwellings that are vacant
	N/A	<u>Non-condo risks:</u> <ul style="list-style-type: none"> Automatically covered for 20% of the Coverage A limit Additional limits above the automatic 20% level are available Coverage may not be reduced below the automatic 20% limit Limit is additional insurance and does not reduce the Coverage A limit <u>Condo risks:</u> N/A

Optional coverages

	Basic DP-1	Special DP-3
Vandalism and malicious mischief	<ul style="list-style-type: none"> Optional Coverage 	<ul style="list-style-type: none"> Not an optional coverage as coverage is automatically included in the underlying policy form
Limited Theft	<ul style="list-style-type: none"> Optional coverage for either DP-1 or DP-3 Coverage C must be purchased The deductible is \$500 and is separate from the policy deductible Available for seasonal and landlord occupancy; not available for vacant 	
Actual cash value loss settlement windstorm or hail losses to roof surfacing	Not available	<ul style="list-style-type: none"> Optional coverage for roofs 0-13 years of age for new business Mandatory for roofs 14+ years of age for new business Mandatory for roofs 16+ years of age for renewals Not available if the restrictive roof endorsement is selected
Limited water back-up and sump discharge or overflow	Not available	<ul style="list-style-type: none"> Provides coverage when water escapes, overflows, or discharges from a sump pump or similar system Optional coverage for DP-3 only Available for seasonal and landlord occupancy; not available for vacant The deductible is \$250 and is separate from the policy deductible Available limits are \$5,000, \$10,000, and \$15,000
Replacement cost less settlement personal property	<ul style="list-style-type: none"> Optional coverage for either DP-1 or DP-3 Provides replacement cost loss settlement for personal property in place of the actual cash value loss settlement in the underlying policy 	
Equipment breakdown	<ul style="list-style-type: none"> Optional coverage for either DP-1 or DP-3 Covers physical loss or damage originating within mechanical, electrical, electronic, or fiber optic equipment Deductibles are separate from the policy deductible and are either \$250 or \$500 	
Personal liability	<ul style="list-style-type: none"> Optional coverage for either DP-1 or DP-3 Personal liability is available for seasonal occupancy; not available for landlord or vacant Available limits include: \$25,000, \$50,000, \$100,000 (base), \$300,000, and \$500,000 	
Premises liability	<ul style="list-style-type: none"> Optional coverage for either DP-1 or DP-3 Premises liability is available for landlord or vacant occupancy; not available for seasonal Available limits include: \$25,000, \$50,000, \$100,000 (base), \$300,000, and \$500,000 	

Premises liability for property managers	<ul style="list-style-type: none"> • Optional coverage for either DP-1 or DP-3 • Premises liability coverage is available only if the occupancy is landlord and premises liability coverage has been purchased • The limit must match the premises liability limit • Available limits include: \$25,000, \$50,000, \$100,000 (base), \$300,000, and \$500,000
Personal injury	<ul style="list-style-type: none"> • Optional coverage for either DP-1 or DP-3 • Provides coverage for wrongful eviction or entry, invasion of privacy, libel, and slander • Available only if underlying personal liability or premises liability coverage has been purchased
Increased medical payment limits	<ul style="list-style-type: none"> • Optional coverage for either DP-1 or DP-3 • Automatically provided for \$1,000 if either personal liability or premises liability coverage is purchased • Additional optional limits include: \$2,000, \$3,000, \$4,000, and \$5,000
Loss assessment liability	<ul style="list-style-type: none"> • Optional coverage for either DP-1 or DP-3 • Covers liability loss assessments for which the insured may be liable • Available in \$1,000 increments, up to a \$10,000 maximum
Increased dwelling coverage	<p style="text-align: center;">Not available</p> <ul style="list-style-type: none"> • Optional coverage • Provides an additional 25% of Coverage A, should repair or replacement exceed the Coverage A amount displayed on the declarations page • Available if built in 1940 or later • Coverage A must be insured for 100% of replacement cost

Rental factors

	Basic DP-1 and Special DP-3
Occasional rental	<ul style="list-style-type: none"> • To be applied to risks that are occupied for at least four months of the year and are only occasionally rented to others • Available for seasonal occupancy; not available for landlord or vacant
Short-term rental	<ul style="list-style-type: none"> • To be applied to risks that are rented to others with terms of less than three months • Available for landlord; not available for seasonal or vacant

Discounts and surcharges

	Basic DP-1 and Special DP-3
Deadbolts, smoke alarm, and fire extinguisher discount	<ul style="list-style-type: none"> This discount is available if the residence has deadbolt locks on all exterior doors, functional smoke alarms, and a fire extinguisher
Newer home discount	<ul style="list-style-type: none"> This discount is available if the age of the residence is 10 years or less
Mature insured discount	<ul style="list-style-type: none"> This discount is available based on the age of the named insured
Loss free discount	<ul style="list-style-type: none"> This discount is available if there are no chargeable losses within the prior five year experience period
Claims surcharge	<ul style="list-style-type: none"> This surcharge applies if there have been any chargeable claims within the prior five year experience period
No prior insurance surcharge	<ul style="list-style-type: none"> This surcharge applies if the insured has not maintained continuous coverage at the insured location
Supplemental heating surcharge	<ul style="list-style-type: none"> This surcharge applies if the residence has a supplemental heating source such as a wood stove or fireplace insert
Wood roof surcharge	<ul style="list-style-type: none"> This surcharge applies if the residence has a roof of wood material, including wood shake or wood shingle

Additional endorsements

	Basic DP-1 and Special DP-3
Fuel oil, gasoline, or sewage exclusion endorsement	<ul style="list-style-type: none"> Mandatory for both DP-1 and DP-3, if personal liability or premises liability are elected
Building exclusion	<ul style="list-style-type: none"> This endorsement is available for specific outbuildings located on the insured premises that do not meet the underwriting guidelines due to their condition
Restrictive roof endorsement	<ul style="list-style-type: none"> This endorsement is available when the risk has a roof that is in poor condition. The endorsement excludes loss or damage to the roof due to the perils of wind and/or hail, as well as interior water damage resulting from the condition of the roof.
Absolute animal liability exclusion	<ul style="list-style-type: none"> This endorsement should be used for risks where the applicant desires liability coverage, but is otherwise ineligible due to the presence of an exotic or potentially dangerous animal such as those with a history of aggression or biting
Trampoline exclusion	<ul style="list-style-type: none"> Mandatory for both DP-1 and DP-3, if personal liability or premises liability are elected

Additional coverage availability by policy form/dwelling type

	Basic Dwelling DP-1	Special Dwelling DP-3	Basic Condo DP-1
Unit owners	---	---	√
Vandalism and malicious mischief	√	Included	√
Limited theft	√	√	√
Actual cash value loss settlement windstorm or hail losses to roof surfacing	---	√	---
Restricted roof	√	√	---
Limited water backup and sump discharge or overflow	---	√	---
Replacement cost less settlement – personal property	√	√	√
Equipment breakdown	√	√	√
Personal liability	√	√	√
Premises liability	√	√	√
Premises liability for property managers	√	√	√
Personal injury	√	√	√
Increased medical payment limits	√	√	√
Loss assessment liability	√	√	√
Increased dwelling coverage	---	√	---

Additional coverages availability by state

Endorsement title	MO
Unit owners	√
Vandalism and malicious mischief (DP-1)	√
Limited theft	√
Actual cash value loss settlement windstorm or hail loss to roof surfacing	√
Restricted roof	√
Limited water backup and sump discharge or overflow	√
Replacement cost less settlement – personal property	√
Equipment breakdown	√
Personal liability	√
Premises liability	√
Premises liability for property managers	√
Personal injury	√
Increased medical payment limits	√
Loss assessment liability	√
Increased dwelling coverage	√

Credits and surcharge availability by state

Optional Coverages	MO
Deadbolts, smoke alarm, and fire extinguisher discount	✓
Newer home discount	✓
Mature insured discount	✓
Loss free discount	✓
Claims surcharge	✓
No prior insurance surcharge	✓
Supplemental heating surcharge	✓
Wood roof surcharge	✓

Agent of record

These procedures are designed to assure that correct, timely, and approved transfer of accounts can be done. Please remember the AOR is an insured initiated request and must meet these procedural requirements. Markel Personal Lines retains the right of refusal of any request.

- Agent of Record letters will only be honored, and producers changed, concurrent with the next renewal date of the policy. No mid-term changes will be made.
- No newly contracted agents will be allowed to take over a piece of Markel business for the first year.
- All requests will be sent to the underwriting department for renewal and approval.
- All requests for a change of the Agent of Record must be submitted to the underwriting department seven days prior to a renewal offer being processed. Late submissions will be honored at the next policy renewal.
- Approved agent of record changes will be processed when cleared by underwriting.
- All agencies involved in an agent or record transfer must be properly licensed and able to meet all Markel Personal Lines contractual requirements.
- If a quote is reserved, an agent of record is required to open the risk to be quoted. We will either provide verbal or written notice to the parties involved. The current agent will have 24 hours to respond.

A properly submitted request for an agent of record change must include the following: name and address of the insured; insurance company and policy number; new agent's name and agency name/address; Markel Personal Lines agency number; date and signature of both the insured and new agent. In the case of an account with a business/organization as the named insured, the request must be on the insured's letterhead.

- Markel will provide a courtesy notification to the incumbent producer providing five days to receive a countermanding letter.
- In situations of 'block rollovers' of existing Markel business, each of these will be evaluated on an individual basis and appropriate procedures developed.
- Markel will recognize a new agent on new business without an agent of record letter if the policy has expired or a LPR requesting cancellation has been processed. The new business account must meet all Markel underwriting, procedural and agency authority requirements.

Please note that it is the new agent's responsibility to ensure that the existing legal file is received and all documentation is appropriate.

Contact information

Questions or policy assistance: 855-461-7791

Property underwriting: maicpropunderwriting@markelcorp.com

Claims department: 800-236-3113

Marketing and supplies: maicmarketing@markelcorp.com

Payments: <https://account.markelamerican.com/pay>