

Markel MAGIC Product Manual

Manufactured Home



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This manual is intended to provide an overview of the Markel Manufactured Home program. This manual is protected by legal privilege and should not be shared with anyone unauthorized.

Program Highlights

The Markel Manufactured Home program is intended to provide coverage for a wide variety of manufactured home risks, ranging from owner occupied to vacant, all under one comprehensive program. With some of the best coverage in the marketplace, knowledgeable claims and underwriting staff, top-notch service and our longevity in the industry, we are proud to welcome you to the new, improved property insurance source.

The Markel Manufactured Home product on the MAGIC system 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.

HIGHLIGHTS:

Build Your Own Package – Property and Liability, Property Only or Liability Only

Coverage for Owner Occupied, Seasonal, Rental, Tenant and Vacant Risks

One Base policy form with endorsements to tailor coverage to the risk.

Owner Occupied: Annual term policy for owner occupied manufactured homes used as the primary residence of the applicant and must be used as the principal residence for at least six consecutive months during the year.

Seasonal: Annual term policy for manufactured homes that are not the primary residence of the applicant. Refer to MHO403 for mandatory endorsement.

Rental: Annual term policy for manufactured home owners who rent their manufactured homes to others who pay the owner rent for the manufactured home living quarters. Refer to MHO410 for mandatory endorsement.
Multiple units can be written on the same policy.

Tenant: Annual term policy for applicants that pay rent for their manufactured home living quarters. Refer to MHO453 for mandatory endorsement.

Vacant: For manufactured homes that are unoccupied and/or being held for sale, whether or not the contents have been removed. Policy terms available are 3, 6 or 12 months. Refer to MHO449 for mandatory endorsement.

We are pleased to offer a premium benefit for the following items:

- Loss Free Applicants
- Mature Owners
- Units up to 5 years of age

The program highlights provide a high level overview and is not all inclusive. Always refer to the policy form and restrictions that are applicable.

General

GENERAL POLICY CONDITIONS

- All policies except Vacant are written on an annual term. Vacant policies may be written for a 3, 6 or 12 month term.
- The Minimum Written Premium is \$50
- The Minimum Earned Premium is \$50 except for South Carolina (\$10) and Washington (\$35). With company request cancellations there is no minimum earned in SC or WA.

PAYMENT PLANS

The following payment plans are available:

Loss Payee (Mortgage Bill): Full Pay only

Vacant 3 or 6 month term: Full Pay only

All Others: Full Pay

2 Pay 50% down, 50% due in 90 days

4 Pay 25% down, 25% due in 60, 120 & 180 days

8 Pay 18% down, 12% due in 60, 90, 120, 150, 180, 210 days & 10% due in 240 days

12 Pay 15% down, 7.7% due in 30, 60, 90, 120, 150, 180, 210, 240, 270, 300 and 8% due in 330 days.

The first premium payment may be invoiced, although we strongly encourage securing the down payment with the application. If payment is not received within 21 days, the policy will be flat cancelled.

A fully earned fee of \$5.00 will be charged for each non-EFT/ACH installment billing issued by the Company. A fully earned fee of \$1.00 will be charged for each EFT (Electronic Funds Transfer) and/or automated clearing house (ACH) installment billing issued by the Company.

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.

LOSSES

Applicants' loss history over the last five years must be entered into the MAGIC system. User authority will determine if the loss requires submission. A loss is a situation or occurrence that resulted in damage (even if a claim was not presented or was denied). Information relevant to the details of the claim should be documented in the system when making a submission.

If the loss is within authority, evaluate how recent the loss occurred, the level of error in judgment that factored into the loss and the likelihood of reoccurrence. Based upon these factors, consider the appropriate course to address the exposure presented, which may include a higher deductible or coverage restrictions.

PHOTOGRAPHS

Photos of the front and back of the unit are required on all units over 15 years of age and all vacant units. We retain the right to request other photographs at our discretion.

MULTIPLE UNITS

Multiple units can be added to a Rental policy provided they are in the same state.

New Business - Quote Referrals - Renewal

The Markel Manufactured Home product will be quoted and issued on the MAGIC system. The system was designed to be used in a retail and wholesale environment. Once a quote has been generated in the system, a quote sheet will be available in PDF format. The quote sheet will outline the coverages and premium, as well as minimum conditions that should be disclosed to the prospective customer.

APPLICATIONS: Once a policy has been issued, a fully completed and signed application must be attached to the policy in the MAGIC system or mailed to the general agent within 48 hours of the policy effective date. The MAGIC system application will be pre-filled with the information captured during the quoting process.

ELIGIBILITY: The Product guidelines and 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 that the risk is ineligible, do not proceed. Should you have questions, please contact MAIC for clarification. Not all conditions that render a risk ineligible will be flagged by system rules. It is the responsibility of the user to be familiar with the eligibility section of this manual and notifications delivered via bulletin.

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

Rate Indication: Use this option for all usages except a rental with multiple units with limited information gathered to quickly deliver a rate indication. 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 5 years.

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

If the risk is outside of the user's authority, a quote indication will be provided. Quotes may be released as an indication without formal approval, however, when the user releases an indication to an applicant, they must notify the applicant that coverage and premium is subject to company review and approval.

A quote is valid 60 days and must be issued within this window. Otherwise the quote will be required to be refreshed/recalculated using the most current rate profile.

REFERRAL PROCESS

Any risk requiring referral before issuance will follow an established hierarchy. For instance, a risk entered by a sub-producer will be referred to the General Agent. If the General Agent does not have the authority to approve the risk, the General Agent will refer the risk to MAIC. When approved, declined or pended for more information, both the General Agent and subproducer will be alerted. To expedite the referral process, it is preferred that any documents that may be relied upon in the underwriting process are added as an attachment in MAGIC and labeled according to the type of document. For efficiency, referral submissions should only be made via the MAGIC system messaging capability.

When approving a referral from a subproducer, please include specific detail in the approval message regarding limits, deductibles, etc. that approved. Example, approved for \$85,000 Coverage A at 1.5% deductible.

ISSUANCE: If the risk attributes are within the user's authority or risk approval has been given, the policy may be issued in MAGIC.

In order to issue a policy the following information is required:

- Primary Phone
- Risk Location Address
- Unit Manufacturer
- Unit Serial Number
- Loss Payee and Additional Insured, if applicable

RENEWAL AND NON-RENEWAL: See the General Manual

No coverage may be bound or increased within 72 hours of the announcement of an impending disaster, i.e. hurricane, tropical storm, volcanic eruption, earthquake, flood, mudslide, brushfire, etc.

Eligibility

UNACCEPTABLE RISKS

A risk with any of the following is ineligible for the Market Manufactured Home program.

- Applicants convicted of fraud, arson or other insurance related offenses
- Applicants with a foreclosure or repossession in the last 4 years
- Applicants more than 60 days past due in mortgage payments
- Applicants that are unemployed other than those retired or disabled
- Primary heat source is not thermostatically controlled
- Kerosene or other portable space heaters are used
- Units without utility service
- Units not easily accessible from public roadways
- Units with unrepaired damage
- Units in the process of major renovation (*Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering*)
- Units without working smoke detectors
- Units with more than two loss payees
- Rental risks with more than one unit where any unit is not rented or available for rent

SPECIAL HAZARDS

The following risks are ineligible for Liability coverage:

- Applicants with any animal with a bite history or an Akita, Chow, Pit Bull, Doberman, Rottweiler, or any non-domestic animal. Liability coverage may be offered if the Animal Liability Exclusion is attached.
- Risks with steps, porches & decks that are 3' or more off the ground and do not have secure rails.
- Risks with a trampoline on the premises.

- Swimming pools that are not fully enclosed in a locked fenced area.
- Units with wood or coal burning stoves or heaters used for supplemental heating and not factory or commercially installed. Submit a completed and signed Supplemental Heating Application certification by the insured accompanied by one photo which shows the stove and one exterior photo of the chimney.

Coverage Options

This section will provide information regarding available coverage options. ***Always refer to the policy for specific coverage details. The policy language will always prevail.***

Coverage can be tailored to the needs of the insured with the option to provide physical damage only, liability only or both.

COVERAGE A – MANUFACTURED HOME

Available for all but Tenant Risks.

Settlement Options

The base policy form provides Actual Cash Value coverage for the unit. We offer an option to purchase Replacement Cost for Partial Losses if the unit is less than 30 years of age.

Actual Cash Value (ACV)

Coverage limit should be 100% of the actual cash value of the unit. Settlement at time of loss takes into consideration the cost to repair or replace the covered property with new material of like kind and quality less allowance for depreciation.

Replacement Cost for Partial Losses – Owner Occupied and Rental Risks Only

Available on risks up to 30 years of age; provides for replacement cost for partial losses. Insured value should be the replacement cost of the unit. The settlement terms will revert to ACV when the unit is greater than 30 years of age with a disclosure notice provided with the renewal. Refer to MHO100.

COVERAGE B – UNATTACHED OTHER STRUCTURES

Available for all risk types. Settlement terms are the same as those chosen for Coverage A or Coverage C if the risk is Tenant

COVERAGE C – UNSCHEDULED PERSONAL PROPERTY

Available for all risk types. Base policy form provides Actual Cash Value coverage. We offer the option to purchase Replacement Cost for Owner Occupied and Tenant risks. Refer to MHO150.

COVERAGE D – ADDITIONAL LIVING EXPENSE

Included at 20% of Coverage A for Owner Occupied and \$1,500 for Tenant risks.

COVERAGE D – LOSS OF USE

Included at 10% of Coverage A for Rental risks.

COVERAGE E – PERSONAL LIABILITY

Available for all but rental risks with limits ranging from \$25,000 to \$300,000.

COVERAGE E – PREMISES LIABILITY

Available rental risks with limits ranging from \$25,000 to \$300,000. Refer to MHO454.

COVERAGE F – MEDICAL PAYMENTS TO OTHERS

Included with all risk types at a \$500 limit if Coverage E is purchased, with option to increase to \$1,000.

COVERAGE G – DAMAGE TO PROPERTY OF OTHERS

Included with all risk types at \$500 if Coverage E is purchased.

Note that the endorsement numbers listed below are the generic forms for the MAIC program. Please refer to the markelamerican.com website for the corresponding MIC program forms or any state specific versions of the endorsement.

Earthquake Coverage

Available when Coverage A is purchased (Coverage C for tenant). The endorsement removes the Section I exclusion for earth movement with the exception of volcanic eruption, explosion, or effusion. Deductible is 10% of Coverage A subject to \$1,000 minimum (10% of Coverage C subject to AOP minimum for tenant). Refer to endorsement MHO435.

Equipment Breakdown Coverage

Available when Coverage A is purchased with Owner Occupied, Seasonal and Rental risks. Equipment Breakdown covers physical loss or damage originating within mechanical, electrical, electronic or fiber optic equipment caused by, resulting from, or consisting of mechanical breakdown, electrical or electronic breakdown or rupture, bursting, bulging, implosion or steam explosion. Deductible options are \$250 or \$500. Refer to endorsement MHO451.

Flood Coverage

Available when Coverage A is purchased (Coverage C for tenant). The endorsement removes the Section I exclusion for flood. Deductible is greater of \$1,000 or AOP deductible. Refer to endorsement MHO434.

Golf Cart Coverage

Available when both Coverage C and Coverage E are purchased with Owner Occupied or Seasonal risks. The Golf Cart endorsement provides physical damage coverage for golf carts used while golfing or for transportation off public roads and liability arising out of the ownership, maintenance, use, loading or unloading the golf cart. Refer to endorsement MHO280.

Identity Fraud Coverage

Available when Coverage A or Coverage C is purchased with Owner Occupied and Tenant risks. Identity Fraud coverage pays for expenses incurred by an insured as the direct result of identity fraud first discovered during the policy period. Refer to endorsement MHO447.

Incidental Farming Coverage

Available when Coverage E or Coverage C is purchased with Owner Occupied risks. Endorsement provides a limit of 10% of Coverage C for personal property used in incidental farming activities and provides liability coverage for incidental farming activities. Refer to endorsement MHO448.

Trip Coverage

Available when Coverage A is purchased for Owner Occupied, Seasonal or Rental risks. Trip coverage is valid for 30 days and pays for direct, sudden and accidental loss of or damage to the manufactured home while the home is being moved subject to a \$100 deductible. Refer to endorsement MHO200.

Personal Property Enhancement

Available when Coverage C is purchased with Owner Occupied and Tenant risks. This endorsement increases the limits for tools and equipment from \$2,000 to \$3,500 and for electronic equipment from \$3,000 to \$5,000 with a maximum of \$2,500 per item. Refer to endorsement MA835.

Additional Residence Liability

Available when Coverage E is purchased with Owner Occupied risks. The endorsement extends the Section II liability to cover the identified additional residence. Refer to endorsement MHO270.

Scheduled Personal Property

Available when Coverage C is purchased with Owner Occupied and Tenant risks. Endorsement is used to schedule personal property of a higher value with agreed value settlement terms and coverage for all risks of physical damage not otherwise excluded. Each scheduled item must have a clearly identifiable description (brand name, serial number, color, etc.) In the event of a loss, a copy of the sales receipt or certified appraisal must be submitted for each single item, set or collection valued at over \$500. Refer to endorsement MA110M.

Hail Settlement Buyback

Available when Coverage A with Replacement Cost settlement terms is purchased with Owner Occupied and Rental risks. This endorsement removes the limitation on payment for cosmetic damage from hail. Refer to endorsement MHO457.

Builder's Risk Endorsement

Available when Coverage A is purchased with Owner Occupied and Seasonal risks. This endorsement provides coverage for loss to site improvements prior to the delivery of the manufactured home and for Owner Occupied risks, removes the exclusion for loss, by theft, vandalism or malicious mischief if the manufactured home is vacant or unoccupied for more than 30 consecutive days before the loss. The endorsement is in effect only until the insured occupies the manufactured home. Refer to endorsement MHO436.

Restrictive Roof Endorsement

This endorsement is used when dwelling coverage is requested on an Owner Occupied, Seasonal, Rental or Vacant risks and the risk has a roof in poor condition. The endorsement excludes loss or damage to the roof due to the perils of wind and/or hail and excludes interior water damage resulting from the roof condition. If the roof is replaced by new roofing, and written notice of the roof replacement is provided, the endorsement is null and void. Refer to endorsement MA200M.

Additional Insured Endorsement

When an Additional Insured is added to the policy, the Additional Insured endorsement automatically attaches. This endorsement extends "you and your" to include the individual named as Additional Insured on the Declarations page for Coverage A, B, E and F. Up to two Additional Insureds can be added. Refer to endorsement MHO308.

Animal Liability Exclusion

Endorsement should be used for Owner Occupied, Seasonal, Rental and Tenant risks when the applicant desires liability coverage but is ineligible due to the presence of an animal with a bite history or an Akita, Chow, Pit Bull, Doberman, Rottweiler, or any non-domestic animal. Attaching the endorsement excludes bodily injury or property damage caused by or originating from any animal owned by the insured or in the insureds care, custody or control. Refer to endorsement MHO301 for all but Rental and MHO443 for Rental.

Building Exclusion

Endorsement should be used to exclude all coverage for a specific building on the insured premises that does not meet the underwriting guidelines due to condition, use, etc. The building description is listed on the endorsement. Refer to endorsement MHO407.

Nonstructural Hail Damage Exclusion

This endorsement is available with Owner Occupied, Seasonal, Rental and Vacant risks in all states except MT. The endorsement removes coverage for any nonstructural (cosmetic) damage caused by hail for a premium benefit. Refer to endorsement MHO455.

Wind or Hail Exclusion

This exclusion is available in DE, MD and SC (Wind Mitigation territory only) and removes coverage for any loss or damage caused directly or indirectly by wind or hail. The endorsement can be used to provide other than wind/hail coverage when capacity has been reached in a particular zone. The endorsement must be attached in order to provide coverage when a hurricane or tropical storm binding restriction is in force. Refer to endorsement MHO304.

DEDUCTIBLE:

Where higher risk characteristics exist, the unit owner should bear a higher portion of the risk.

All Other Perils (AOP) – What's listed below is the generic version; there may be state exceptions. The MAGIC system will show all allowable deductible options.

Owner Occupied and Seasonal:

Options: 0.5% (minimum \$250)
 1.0% (minimum \$500)
 1.5% (minimum \$750)
 2.0% (minimum \$1,000)

Example:

Coverage A \$20,000 with 0.5% deductible = $20,000 * 0.5\% = \$100$ subject to \$250 minimum

Coverage A \$150,000 with 0.5% deductible = $150,000 * 0.5\% = \$750$

Rental:

Options: \$250
 \$500
 \$1,000
 \$2,500

Tenant:

Options: \$250
 \$500
 \$750
 \$1,000

Vacant

Options: 1.0% (minimum \$500)
 1.5% (minimum \$750)
 2.0% (minimum \$1,000)

LOSS PAYEE AND ADDITIONAL INSURED

A loss payee and/or an additional insured can be added to the policy at inception or at a later date by endorsement. We will accept up to two loss payees and two additional insured.

WINDSTORM DEDUCTIBLE

Wind/Hail or Named Storm deductibles may apply and will display on the quote indication if applicable.

Contact Information

Claim Department - 800-236-3113

Technical Services – 800-236-2862 ext. 3334

Payments: www.markelamerican.com

For system instructions please refer to the Markel MAGIC System Manual for Manufactured Home.