

**Tower Hill Prime® Insurance Company**

*An affiliate of Tower Hill Specialty*

# Condominium (HO-6) Program

---

## *Georgia*



**New Business Effective Date:** 07/14/2018

**Manual Edition Date:** 07/13/2018



**Tower Hill Specialty**

Proprietary & Confidential

# *Table of Contents*

---

Program Characteristics .....	3
Eligibility and Coverages .....	4
Policy Form Comparison .....	5-6
Optional Coverages .....	7-8
Liability Coverages .....	9
Exclusions.....	9
Settlement Options .....	10
Discounts and Surcharges.....	11-12
Underwriting Rules	
Prior Loss History.....	13
Matrix .....	14-16
General Rules and Rating Information .....	17
Temporary Binding Restrictions.....	18
Cancellation Procedures.....	19
Quoting Process .....	19
Payment Plans.....	19
Contact Us .....	20

## *Condominium (HO-6) Program*

Tower Hill Prime Insurance Company's HO-6 program provides **named peril** coverage for an **Owner, Seasonal, or Rental occupied condominium**.

- **Condition:** Risks should be in above average or better condition.
  - **Above Average** condition means the home is structurally sound and free of cosmetic defects. The condition of the home should reflect responsible ownership in the maintenance and upkeep of the home. The heating, wiring, and plumbing systems should be in good working order and the roof must be in good condition.
  - **Unacceptable** condition includes, but is not limited to, peeling paint, overgrown foliage, sagging gutters, broken or boarded up windows, excessively worn or damaged roof, unrepaired vandalism or damage, sagging porches and roofs, or debris in the yard.
- **Designed Use:**
  - The Tower Hill Prime Insurance Company's HO-6 program is designed for property owners in the residential condominium market.
- **Residence Types:**
  - A **Condominium** is a home in a shared building or development. The buyer gets the title of the space inside the unit, shares the common areas with other unit owners and pays a maintenance fee to the condominium association to pay for needed maintenance, repairs, and improvements.

## *Occupancies*

- **Owner:** A dwelling used as the insured's primary residence for a period of five (5) consecutive months or more annually. Homes may not be rented to others for any period of time unless Occasional Rental is selected in which case the rental time should be limited to less than one month over the course of the year.
- **Seasonal:** A dwelling that is not the primary residence of the insured, but one that is used on an intermittent basis as a seasonal, vacation, or secondary residence by the insured and his/her immediate family. Homes may not be rented to others for any period of time unless Occasional Rental is selected in which case the rental time should be limited to less than one month over the course of the year.
- **Rental:** A dwelling that is rented to others for residential purposes or homes used for light office (light to no foot traffic), professional, or institutional purposes. Insurance is written to cover the interest of the owner of a rented dwelling.

## *Eligibility and Coverages*

Coverages	HO-6
Policy Form	H6-CW-P-0001
Policy Term	12 months, Effective 12:01am Standard Time
Loss Settlement	Replacement Cost (RC)
Minimum Dwelling Limit	\$5,000
Maximum Dwelling Limit	\$500,000
Minimum Contents Limit	\$5,000
Maximum Contents Limit	\$500,000
Maximum Dwelling Age	N/A
Occupancy	Owner/Seasonal/Rental
Location of Home	Protection Class 1-10

Additional Coverages	HO-6
Debris Removal	Reasonable Expenses
Reasonable Repairs	Reasonable and Necessary
Fire Department Service Charge	\$500

## *Policy Form*

Policy Form	HO-6
<b>Dwelling Coverage (A)</b>	Named Peril
Fire, Lightning, and Internal Explosion	Yes
Smoke	Yes, but not by agricultural smudging.
Explosion	Yes
Windstorm/Hail	Yes
Riot/Civil Commotion	Yes
Aircraft	Yes
Vehicles	Yes
Volcanic Eruption	Yes
Vandalism or Malicious Mischief	Yes
Theft	Yes (Except when Rented)
Collapse	Yes
Freezing	Yes
Water from Plumbing, Heating, or A/C System	Yes
Power Interruption	No, but ensuing loss covered if the result of an insured peril.
Water Damage	Yes
Mold - Property	\$5,000 or 5% of Cov A, whichever is greater.
Mold - Liability	\$50,000
Ordinance and Law	10% Included
Earthquake	Optional
Flood, Neglect, War, Nuclear Hazard, and Intentional Loss	No

## *Policy Form Comparison (Continued)*

Policy Form	HO-6
<b>Personal Property Coverage (C)</b>	Named Peril
On Premises	100% of Coverage C
Off Premises	10% of Coverage C

Policy Form	HO-6
<b>Loss of Use Coverage (D)</b>	Named Peril
Included Amount	40% of Cov. A Additional Living Expense/ Fair Rental Value

Policy Form	HO-6
<b>Liability Coverage (E)</b>	
Included Amount	\$100,000

Policy Form	HO-6
<b>Medical Payments Coverage (F)</b>	
Included Amount	\$1,000 each person / \$25,000 each occurrence

Policy Form	HO-6
<b>Additional Coverages</b>	
Property Removed	Covered for up to 30 days
Fire Department Service Charge	\$500 if not located in the fire district providing coverage
Plants, Trees, Shrubs, and Lawns	10% of Coverage C (Max \$500 per plant)

## Optional Coverages

Coverages	Important Information	Included Limits	Optional Limits	HO-6		
				Owner	Seasonal	Rental
Earthquake	Provides coverage for direct physical loss caused by an earthquake. The 15% deductible shown on the Declarations page will apply <b>separately to each coverage.</b>			X	X	X
Identity Fraud Expense	Provides coverage for expenses incurred as a result of identity fraud.		\$15,000	X	X	
Loss Assessment	Provides coverage for claims involving the condominium building or its common areas.	\$1,000	\$5,000 \$10,000 \$15,000 \$20,000 \$25,000 \$50,000	X	X	X
Loss of Use	This coverage when purchased may be used for either Additional Living Expense (ALE) or Fair Rental Value.	40% of Cov. A (Max \$100,000)	Up to \$100,000	X	X	X
Mold Remediation - Property	Provides coverage for Fungi, Wet or Dry Rot, or Bacteria. A \$250 deductible applies.	\$5,000 or 5% of Cov. A	\$25,000 \$50,000	X	X	X
Optional All Other Perils Deductible	The included All Other Perils (AOP) deductible may be changed to higher optional amounts. The change does not apply to any coverages with specific deductibles listed in the endorsement.	\$500	\$1,000 \$2,500 \$5,000	X	X	X
Ordinance or Law	Provides coverage for any repair or construction required to comply with any ordinance or law, after a covered loss.	10% of Cov. A	25% of Cov. A 50% of Cov. A 100% of Cov. A	X	X	X
Personal Property	Limits available up to \$500,000.		Max \$500,000	X	X	X
Theft Coverage Rented to Others	Not available if there is a prior theft claim within the last three years. If Owner or Seasonally occupied then Occasionally Rented also required.		\$1,000 \$2,000 \$3,000 \$4,000 \$5,000	X	X	X

## Optional Coverages (Continued)

Coverages	Important Information	Included Limits	Optional Limits	HO-6		
				Owner	Seasonal	Rental
Scheduled Personal Property	<p>Risks with a Theft Loss in the last three years, refer to Underwriting. Items in a large collection or of particularly high value may require Underwriting approval.</p> <p>Due to internal policy limits the following items may be scheduled:</p> <ul style="list-style-type: none"> <li>Fine Arts</li> <li>Stamps/ Books</li> <li>Camera/ Recorder/ Media</li> <li>Rare or Current Coins</li> <li>Computer Equipment</li> <li>Furs</li> <li>Golf Equipment</li> <li>Guns and Ammunition</li> <li>Jewelry</li> <li>Musical Instruments</li> <li>Silverware</li> <li>Tools</li> <li>All Other</li> </ul>			X		
Water Backup and Sump Overflow	Provides coverage for losses caused by water which backs up through sewers or drains. \$250 Deductible		\$5,000 \$10,000 \$25,000	X	X	X
Water Damage	<p>Water Coverage as provided for (named peril) by the HO-6 policy may be decreased to 10% of the combined Cov A and Cov C limits</p> <p>Water coverage is provided in the policy subject to exclusions. Flood is excluded from this coverage.</p> <p>For risks with 2 or more water losses, Water Limit cannot exceed 10%. If prior loss greater than \$5,000, <b>Refer to Underwriting with explanation, Do Not Bind.</b></p>	Full Coverage	10% of Cov. A and Cov C limit	X	X	X
Windstorm or Hail Exclusion	Removes coverage for the peril of Windstorm or Hail. Mandatory on the outer islands and within 1 mile of the ocean.			X	X	X



## *Liability Coverages*

Coverages	Important Information	Included Limits	Optional Limits	HO-6		
				Owner	Seasonal	Rental
Medical Payments	\$1,000 Each Person / \$25,000 Each Occurrence included when Personal or Premises Liability is present	\$1,000/ \$25,000	\$2,000 - \$10,000 / \$25,000	X	X	X
Personal Liability	Included: Damage to Property of Others – \$1,000 Each Occurrence	\$100,000	\$300,000 \$500,000	X		
Premises Liability	Included When Purchased: Property Manager – Premises Liability	\$100,000	\$300,000 \$500,000		X	X
Landlord Personal Injury	Premises Liability is a pre-requisite. The limit must match the Premises Liability limit selected.					X

## *Exclusions*

Coverages	Important Information	HO-6		
		Owner	Seasonal	Rental
Animal Liability Exclusion	Removes Animal Liability for underwriting acceptability.	X		
Windstorm or Hail Exclusion	Removes coverage for the peril of Windstorm or Hail. Mandatory on the outer islands and within 1 mile of the ocean.	X	X	X

## *Settlement Options – Dwelling and Other Structures*

Loss Settlement Option	Important Information	Insurance Value	HO-6		
			Owner	Seasonal	Rental
Replacement Cost (RC)	The cost to replace or repair without deduction for depreciation or obsolescence, subject to conditions set in the policy form. <ul style="list-style-type: none"> <li>This is included for the HO-6 policy.</li> </ul>	100% Full Replacement Cost (less land value)	X	X	X

## *Settlement Options – Personal Property*

Loss Settlement Option	Important Information	HO-6		
		Owner	Seasonal	Rental
Actual Cash Value (ACV)	The actual cash value at the time of the loss, but not more than the amount required to repair or replace the damaged property, subject to conditions set in the policy form. <ul style="list-style-type: none"> <li>This is included for the policy when Personal Property is purchased.</li> </ul>	X	X	X
Replacement Cost (RC)	The cost to replace or repair without deduction for depreciation or obsolescence, subject to conditions set in the policy form. <b>When adding coverage to an existing policy with two or more losses, Refer to Underwriting.</b>	X	X	X

## *Discounts*

Protective Devices	Important Information	Rate*	HO-6		
			Owner	Seasonal	Rental
Central Station Fire & Smoke Alarm	This system is connected to an independent and fully staffed security agent from which trained operators are available to act in case of a fire.	-5%	X	X	X
Central Station Burglar Alarm	This system is connected to an independent and fully staffed security agent from which trained operators are available to act in case of a break in.	-2%	X	X	X
Local Smoke and/or Burglar Alarm	This system sets off a loud alarm on the premises if there is a break in or fire. It is designed to alert the inhabitants and neighbors of the break in or fire.	-2%	X	X	X
Deadbolts, Smoke Alarm & Fire Extinguisher	This discount is available when the dwelling has deadbolts, smoke alarms, and a fire extinguisher.	-2%	X	X	X
Limited Access Community	Dwelling is located in a building or gated community/neighborhood, where access is restricted and controlled for residents 24 hours a day. Access can be restricted by one or a combination of any of the following: operational gate(s), uniformed guard(s), keycard access, coded locking mechanism, or similar access restriction device.	-5%	X	X	X

\*Discounts not to total more than 10%. Copies of alarm system certificates are required for a credit.

Discounts	Important Information	Rate	HO-6		
			Owner	Seasonal	Rental
Auto/Home	This discount is available for insureds who have an auto policy that is directly written by an agency partner.	-5%	X	X	X
Claims Free	This discount is available for insureds who have not made a chargeable claim in the last three years. The insureds first claim with a cause of loss of weather, volcanic action, or earthquake/landslide is not counted when considering the application of the Claims Free Discount.	-10%	X	X	X
Paid in Full	This discount is available when a Paid In Full payment plan is selected. This discount is not available for lienholder billed policies.	-5%	X	X	X
Paperless	This discount is available when electronic delivery of policy documents is selected.	-1%	X	X	X

## *Surcharges*

Surcharges	Important Information	Rate	HO-6		
			Owner	Seasonal	Rental
Occasional Rental	Applicable when an owner or seasonal occupied home is occasionally rented to others.	0%	X	X	
Short Term Rental	Applicable when a home is rented for an abbreviated period of time, less than 3 months to each occupant, such as with a vacation rental. Insured must live within 100 miles of the property or the property must be managed by a property manager.	0%			X
Supplemental Heating Source	Includes wood, coal, or pellet burning stoves, and any other heating devices that are not centralized. Permanently attached thermostatically controlled space heaters do not require the Supplemental Heating Device Surcharge. Note: Fireplaces are <b>NOT</b> considered supplemental heating devices unless equipped with a fireplace insert.	\$50	X	X	X

## *Underwriting Rules - Prior Loss History*

- A CLUE report will be obtained for all new business risks.
- Inspections may be ordered for new business risks and to confirm repairs have been made following a loss.
- Losses are relevant to rating and underwriting when \$500 or more has been paid and they occur within three years of the policy effective date.

Ineligible, Do Not Submit	
General Losses	<ul style="list-style-type: none"> <li>• 4 or more losses*</li> <li>• More than 1 Fire, Theft/Burglary, or Liability (Including any combination thereof).</li> <li>• More than 2 of any other single cause of loss excluding weather</li> </ul>

Refer to Underwriting, Do Not Bind	
Fire Losses > \$10,000	<ul style="list-style-type: none"> <li>• When referring to Underwriting provide details of fire, including preventative measures taken to prevent future fires.</li> <li>• A copy of the fire report is required.</li> <li>• Arson, undetermined cause, or intentional act by applicant NOT acceptable.</li> </ul>
All Liability Losses	When referring to Underwriting provide prior loss details and preventative measures taken.
Theft Losses > \$5,000	When referring to Underwriting provide prior loss details and preventative measures taken.
Water Losses > \$5,000	When referring to Underwriting provide preventative measures taken.
Excluding a CLUE Loss	Applicable when excluding a relevant loss reported by CLUE

\*4 or more losses when the insured owns 6 or more dwellings, **Refer to Underwriting**

## *Underwriting Rules - Matrix*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
Increasing liability coverage on an existing policy	X	
Additional insureds when: <ul style="list-style-type: none"> <li>More than three or</li> <li>More than one additional insured is added as Primary or</li> <li>Relationship to primary named insured is "other"</li> </ul>	X	
Backdating policy changes and rewrite transactions when there is an open claim on the policy	X	
Uninsured <ul style="list-style-type: none"> <li>If the risk has been uninsured for 31-90 days Refer to Underwriting with explanation.</li> </ul>	X	
Uninsured <ul style="list-style-type: none"> <li>If the risk has been uninsured for more than 90 days then Do NOT Bind and Do NOT Refer to Underwriting.</li> </ul>		X
More than one property manager per unit	X	
More than two mortgagees	X	
Previously Non-Renewed or Cancelled <ul style="list-style-type: none"> <li>Applicants non-renewed or canceled by the prior carrier due to excess losses, large losses, payment problems or physical hazards must provide additional explanation for non-renewal or cancellation and refer to Underwriting for approval.</li> </ul>	X	
Primary heat source is "other"	X	
Purchase price of \$0 or \$1.00	X	
Reinstatement requests more than 15 days after the cancellation effective date	X	
Total living area less than 100 sq. ft. or greater than 9,950 sq. ft.		X
<b>Applicant with these Characteristics:</b>		
If an Insured is a minor		X
Mortgage payments 60 days or more past due or currently in foreclosure		X
Past conviction for arson, fraud, or other insurance-related offenses		X

## *Underwriting Rules – Matrix (Continued)*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
<b>Liability Concerns:</b>		
Animals on the premises that have a previous bite history or vicious propensities, or wild or exotic animals or farm animals unless the Animal Liability Exclusion is selected.		X
Business employees who work on the premises.		X
Primary named insured is a company other than a trust and Personal Liability Coverage is requested.		X
Unusual or increased liability hazards; including, but not limited to, missing steps and raised decks with railing balusters more than 4 inches apart.	X	
<b>Construction/Condition/Use:</b>		
Incidental businesses on premises may be eligible. This could include home offices, and other small businesses with very light or no foot traffic. Depending on the nature of the business, it may be eligible either with or without liability coverage, at the underwriter's discretion.	X	
Business on the premises which increases the property or liability hazard. Ineligible businesses include, but are not limited to: home day care, beauty salons, automotive repair, welding, dog kennels, retail stores, businesses with increased liability hazards, and any business where potentially dangerous chemicals, pollutants, extreme heat/flame or dangerous activities may be involved.		X
Condemned or abandoned		X
Condominium does not have deadbolts and security lighting.		X
Fraternity, sorority, student housing, group home, halfway house, or similar occupancy		X
Daycare on the premises		X

## *Underwriting Rules – Matrix (Continued)*

Underwriting Issue	Refer to Underwriting, Do Not Bind	Ineligible, Do Not Submit
If the dwelling has any of the following characteristics: <ul style="list-style-type: none"> <li>Any water leaks or unrepaired water damage</li> <li>Any windows that are broken or boarded-up, or any other unrepaired damage</li> <li>Under construction or undergoing a major renovation (Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering.)</li> </ul>		X
Owner and seasonally occupied dwellings that are rented out for any length of time unless the Occasional Rental Coverage is purchased. Home must be occupied for at least 4 months and only occasionally rented.		X
Rented out for less than three months at a time, including weekly rentals (except when Short Term Rental attached)		X
The unit is occupied as a commercial risk.		X
<b>Utilities:</b>		
Home equipped with a supplemental heating device that was NOT installed by the home's builder or by a licensed contractor.		X
Kerosene and other portable space heaters are NOT acceptable.		X
Without utilities such as natural gas, electric, or water.		X
<b>Location and Other:</b>		
Dwelling located on an island with no Fire Protection Service.		X
Located in an area that is prone to or has had a prior occurrence of landslide, forest fires, or brush fire.		X
Dwelling located within 1,000 feet of rising water or in an area prone to flooding.		X

*Circumstances reflecting an unusual exposure or increase in hazard not addressed above are unacceptable.*

**CAPACITY RESTRICTIONS** – *In order to manage geographic concentrations, overall portfolio exposure and reinsurance, the Company may establish temporary and/or permanent restrictions on binding authority to properly control and maintain appropriate geographic concentration levels.*



# ***General Rules and Rating Information***

## **1. APPLICATION**

The application and all forms should be completed in RPM, printed, and signed. The agent's and applicant's signatures are required.

## **2. BINDING**

- a. All applications should be entered completely into RPM. Rules in RPM will determine if coverage can be bound.
- b. If the quote is required to be referred to underwriting for review, it is the agent's responsibility to notify the customer at the time of referral that the risk is not bound.
- c. Unbound referred applications in RPM that do not meet our underwriting guidelines will be rejected and the agent will be notified by an assigned activity in RPM or by email.
- d. If an issue is rejected, a notice will not go out to the customer so it is the agent's responsibility to notify the customer that a policy will not be issued. A declination notice may be produced upon request.

## **3. WHOLE DOLLAR PREMIUM**

The premium shall be rounded separately for each coverage to the nearest whole dollar.

## **4. MINIMUM WRITTEN PREMIUM**

The minimum written premium is \$100 for all programs.

## **5. TRANSFER OR ASSIGNMENT**

Our policies may **NOT** be transferred or assigned.

## **6. PRIMARY NAMED INSURED IS A COMPANY/ORGANIZATION**

An Officer, Owner, or Trustee must be listed on the policy as an Additional Named Insured.

## ***Temporary Binding Restrictions***

During Temporary Binding Restrictions, do not accept any applications for new coverage, requests to increase coverage limits, or requests to lower deductibles on existing policies. Existing policies will renew during this time, provided there is no increase in coverage or lapse between policies.

### **IMPENDING SEVERE WEATHER**

- Tropical storm or hurricane watches and/or warnings
- Other weather events as determined by the company

### **EARTHQUAKE**

Restrictions begin with the occurrence of an earthquake or aftershock, of 5.0 Richter or greater, and continue for a period of 72 hours for dwellings located in counties, in their entirety, within 100 miles of the epicenter.

### **WILDFIRE**

No risks may be bound within a 25 mile radius of any existing wildfire.

Temporary Binding Restrictions and updates are posted in RPM for Impending Severe Weather. Producers are encouraged to monitor information resources such as the news when there is impending severe weather or catastrophic events in the area.

For Updates log onto RPM.

## ***Cancellation Procedures***

A request to cancel a policy with Tower Hill should be made within 90 days of the requested cancellation date. If the request is received more than 90 days after the requested cancellation date, the request must also be accompanied by the following:

- A Dec page from another carrier showing coverage inforce from that date; or
- A bill of sale or other proof that the insured no longer had an interest in the home from the date.

### ***Other acceptable reasons for backdating a cancellation request:***

- A duplicate Tower Hill policy providing coverage for the same risk exists. A valid Tower Hill policy number must be provided.
- The request to cancel is due to a total loss to the home and the cancellation date is after the total loss.

## *Quoting Process*

Quoting and issuance of policies will only be available through RPM. If you do not have access to our website, please call your Account Manager or General Agent, whichever applies.

In RPM, an accurate quote will be ensured by entering all of the requested information. You will be asked to verify some information about the applicant before reports can be ordered. Disclosures to the insured that third party reports may be ordered will be shown in RPM. You must read the disclosure statement(s) to the insured before proceeding.

## *Payment Plans*

Payment plan availability varies based on the premium of the policy. RPM will only display payment plans that are available based on the policy premium.

Payment Plan	Recurring EFT or Invoice Option	Down Payment %	Remaining Installments*
Full Payment	Invoice Only	100.0%	N/A
25% Down, 3 Pay Payment Plan	Both	25.0%	3
Quarterly Payment Plan	Both	40.0%	3
Semi-Annual Payment Plan	Both	60.0%	1
Monthly Payment Plan	EFT Only	16.7%	10

*\* A service fee will be assessed for each remaining installments. Late fees, reinstatement fees and insufficient fund fees may apply.*

# Contact Us

---

## PHONE

**1.888.795.7256**

Monday – Friday, 7am to 6pm EST

*(After hours support for filing claims is handled by a voicemail return service)*

## FAX

1.352.332.9999

## EMAIL

*Sales/Marketing:* Marketing@thspecialty.com

*Customer Service:* CustomerService@thspecialty.com

*Underwriting:* Underwriting@thspecialty.com

## PAYMENT MAILING ADDRESS

Tower Hill Prime Insurance Company, Dept #3165

P.O. Box 2252

Birmingham, AL 35246-3165



**Tower Hill<sup>®</sup>**  
**Specialty**

---

*The content of this manual is the proprietary and confidential information of Tower Hill Specialty. No part of this manual may be disclosed in any manner to a third party without the prior written consent of Tower Hill Specialty.*

*Coverage is subject to policy terms, conditions, limitations, exclusions, underwriting review and approval, and may not be available for all risks or in all states. Rates and discounts vary, are determined by many factors and are subject to change. Policies are written by one of the licensed insurers of Tower Hill Insurance Group.*