



## MICHIGAN UNOCCUPIED DWELLING UNDERWRITING GUIDELINES

### GENERAL UNDERWRITING GUIDELINES

1. OCCUPANCY DEFINITION—Two options for coverage exist for the unoccupied dwellings: Vacant and Under Renovation. Vacant—refers to a dwelling with no occupancy whatsoever with the exception of showing prospective buyers for the purpose of selling it. Under Renovation—refers to unoccupied dwellings that are under repair, or in the process of remodeling or renovation.
2. APPLICATIONS—All questions must be answered on the application, the risk must meet the underwriting guidelines, the application must be signed by the insured and the licensed producer in the agency and the application must be mailed within three (3) days of the effective date before coverage is considered bound.
3. C.L.U.E. REPORT—Will be obtained on all risks to verify claims history.
4. TOTAL INSURED VALUE—The maximum limit for the dwelling, personal property and unattached structures per risk—\$150,000.
5. TRANSFER—A policy may not be transferred to a new owner. A new application for the new owner is required.
6. PERSONAL PROPERTY—If the risk is in an estate name the maximum personal property limit is 30% of Coverage A. If the risk is not in an estate or trust name the maximum personal property limit is \$10,000.
7. OTHER STRUCTURES—Must be listed / described and a premium charged to be covered.
8. The reason the dwelling is temporarily vacant must be for one of the following reasons:
  - dwelling is between tenancy or real estate closing
  - dwelling is for sale and has been on the market for less than one (1) year
  - dwelling is under renovation
  - dwelling is in an estate or trust name
9. PHOTOS—Two (2) photos, one of the front and one of the back of the dwelling, must be submitted with the application. Photos are also required for other structures if coverage is purchased.

### SUBMIT—DO NOT BIND

1. UNINSURED—If the applicant failed to carry insurance for more than 10 days.
2. If the dwelling has damage that has not been repaired submit unbound with description of damage. This does not apply if the dwelling is under renovation and the renovation rate has been charged.
3. If other structure coverage is purchased and the other structure has damage that has not been repaired, submit unbound with description of damage. This does not apply if the other structure is under renovation and the renovation rate has been charged.

### DO NOT SUBMIT UNDER ANY PROGRAM—UNACCEPTABLE RISK

1. If the dwelling is condemned.
2. If the dwelling is intended for demolition or being moved.
3. If there are any hazardous liability exposures the risk is unacceptable unless written with no liability coverage.
4. If kerosene or portable space heaters are used.
5. If the heat is not maintained or if the dwelling is not winterized.
6. If the dwelling's electrical system is not solely equipped with functioning circuit breakers.
7. If the dwelling is not in average to better condition or if it is not properly maintained. Does not apply if the dwelling is under renovation and the renovation rate has been charged.
8. If the dwelling is a condominium, rowhome or townhouse.
9. If the dwelling is a log home.
10. If the risk is not visible from a paved road.
11. If the dwelling has been vacant for more than three (3) years.
12. If the dwelling is undergoing or in the process of new construction.
13. If the applicant is behind in the mortgage payments.
14. If the applicant filed for bankruptcy in the past five (5) years.
15. If the dwelling is attached to, occupied as or converted from a commercial risk.
16. If the dwelling is not locked / secured to prevent unauthorized entry.
17. If the dwelling is not 4 or less units.
18. If the insured does not live in the state that the risk is located. Call for an exception.
19. If the risk has knob and tube wiring.
20. CLAIMS / LOSSES:
  - If the applicant had any fire, theft or liability loss at any location in the past three (3) years.
  - If the applicant had more than one (1) other minor loss at any location in the past three (3) years.
  - If the applicant has a loss that is unresolved or open with a previous carrier.

### TERRITORY DEFINITIONS

Territory 1—Cities of Detroit and Flint

Territory 2—Remainder of Wayne & Genesee Counties; Macomb, Oakland & Saginaw Counties

Territory 3—Remainder of State

NOTE: Refer to the United States Postal Service website at [www.usps.com](http://www.usps.com). If multiple cities are listed for a zip code, the risk should be rated in the highest rated territory.

### LATE PAYMENT

If a renewal payment is not received before the expiration date, upon Company approval, the policy will be rewritten the day after postmark. A new application is not necessary on a lapsed policy unless the Company requests one; however, if a new application is submitted on a lapsed policy, the effective date will be the day after postmark. If we agree to rewrite coverage, a \$10 late fee will be charged. THERE IS NO GRACE PERIOD.