

L O U D O U N M U T U A L



I N S U R A N C E C O M P A N Y

Dwelling Program Manual Index

Page No. Rule No.

Additional Hazards	11	4.3
Additional Interests	7	3.3
Additional Insureds	7	3.3
Additional Living Costs and Fair Rental Value		
Principal Coverage	3	2.2.4
Coverage Options	22	7.7
Basic Form Fire and Broad Form	5	2.5.1
Business Property – Higher Limits	26	7.16
Cancellation	7	3.6
Condominium Fixtures – Unit Owner Additions	24	7.13
Special Perils Coverage for Unit Owner Additions	25	7.13
Construction Definitions	13	4.6
Coinsurance	7	3.4
Coverage Options	17	7
Deductibles	15	5
Flat Deductibles – All Perils	15	5.1
Higher Windstorm or Hail Deductibles	15	5.2
Earthquake Coverage	17	7.2
Limited Earthquake Coverage	17	7.2.1
Eligible Risks	1	1.1
Equipment Breakdown Coverage	28	7.20
Expanded Replacement Cost Coverage A	25	7.15
Extended Coverage	5	2.5.1
Fire Department Service Charge	24	7.12
Home Systems Protection and Service Line Coverage	28	7.20
Inception Time	7	3.1
Incidental Business Activities	1	1.2
Ineligible Risks	1	1.3
Inflation Guard – Automatic Increase in Insurance	26	7.17
Inland Flood Coverage	30	7.23
Interpolation	8	3.11
Landlord Guardian	27	7.19
Liability Coverage	3	2.3

Coverage L - Liability	3	2.3.1
Coverage M – Medical Payments	3	2.3.2
Coverage P – Personal Injury Liability	3	2.3.3
Each Occurrence Limit – General Aggregate	3	2.3.4
Commercial Liability General Aggregate Amendment	4	2.3.5
Limits	6	2.6
Loss Assessment	18	7.4
Without Earthquake	18	7.4.1
Earthquake Only	18	7.4.2
Loss Settlement	5	2.4
Form FL- 1 and Mobile Homes (All Forms)	5	2.4.1
Forms FL- 2 and FL- 3	5	2.4.2
Matching of Undamaged Roofing Materials	29	7.21
Matching of Undamaged Siding Materials	29	7.22
Minimum Premium	8	3.8
Mobile Homes	12	4.4
Consent to Move Mobile Home	23	7.8
Collision or Upset Coverage	23	7.9
Vendor’s Single Interest	23	7.10
Money and Securities – Higher Limits	26	7.16
Multi-Family Dwellings	1	1.1
Multiple Locations	8	3.7
Ordinance or Law Coverage	16	6.3
Perils Insured Against	5	2.5
Forms FL-1 and FL-2	5	2.5.1
Form FL-3	5	2.5.2
Personal Property – Principal Coverage	2	2.2.3
Rating	22	7.6
Replacement Cost	25	7.14
Policy Forms	2	2.1
Policy Limits	6	2.6
Form FL-1	6	2.6.1
Form FL-2	6	2.6.2
Form FL-3	6	2.6.3
Policy Term	7	3.2
Annual	7	3.2.1
Less Than One Year	7	3.2.2
Policywriting Instructions	7	3
Preferred Rating Program	10	4.2
Premium Determination	9	4
Premium Modifications	16	6
Premium Rounding	8	3.9
Principal Property Coverages	2	2.2

Professional Landlord Credit	14	4.7
Program Description	2	2
Protection Classes	12	4.5
Protective Devices	16	6.1
Related Private Structures	2	2.2.2
Specific Structures	19	7.5.1
With Permitted Incidental Occupancies	20	7.5.2
At Other Locations	21	7.5.3
Replacement Cost		
Coverage A (Modified)	16	6.2
Coverage C	25	7.14
Residence – Coverage A	2	2.2.1
Residential Association Loss Assessment	18	7.4
Without Earthquake Coverage	18	7.4.1
Earthquake Coverage Only	18	7.4.2
Restriction of Coverage	7	3.5
Sewer and Drain Back Up	18	7.3
Smoke Detectors	16	6.1
Special Form	5	2.5.2
Sprinkler Systems	16	6.1
Tenant's Improvements	24	7.11
Under Construction – Theft	27	7.18
Vandalism	17	7.1
Waiver of Premium	8	3.10
Water Damage	18	7.3

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 1 – ELIGIBILITY

1.1 Eligible Risks

A dwelling policy may be issued to cover:

- A one to twelve family dwelling used for private residential purposes;
- A private residential dwelling in a row house or townhouse that contains not more than four family units per fire division;
- A mobile home used for private residential purposes that is not self-propelled and is permanently situated at a fixed location;
- Private structures related to dwellings;
- A condominium unit owner's interest in additions, alterations, structures, installations, and other items;
- Personal property located in a one to four family dwelling, row house or townhouse, mobile home, related private structure, apartment, condominium unit, other structure, or a commercial storage unit; or
- A five to twelve unit building used for private residential purposes.

1.2 Incidental Business Activities

An insured or occupant of the insured premises may engage in one of the following incidental business activities on the premises without affecting the eligibility status of the risk:

- A business or professional office, private school, or studio;
- A small service business, such as barber shop, beauty parlor, dressmaker, tailor, or shoe repair where no more than 2 people work; or
- Storage of merchandise up to \$10,000 in value.

1.3 Ineligible Risks

A Dwelling policy may not be used to cover:

- Self-propelled mobile homes and mobile homes not permanently situated at a fixed location;
- Dwellings in row houses or townhouses containing more than four family units per fire division; or
- Dwellings, mobile homes, related private structures, or condominium units with business occupancies other than the incidental business activities described in this manual.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 2 – PROGRAM DESCRIPTION

This is a general description of the coverage provided by the Dwelling Program. The policy forms state the complete conditions.

2.1 Policy Forms

A Dwelling policy may be issued using one of the following property forms:

[FL – 1](#) Basic Form

[FL – 2](#) Broad Form

[FL – 3](#) Special Form

In addition, when used to insure a rental dwelling, mobile home or condominium, commercial liability coverage for the dwelling owner may be included, using the following form:

[GL 0605](#)

2.2 Principal Property Coverages

Four principal property coverages are available under the Dwelling Program:

2.2.1 Coverage A - Residence

Coverage A covers the dwelling, additions, built-in components, attached structures and detachable building items. Coverage also applies to appliances, carpets and window coverings in rental portions of the dwelling. Tools and equipment used to service the premises are covered under Coverage A when the policy does not include coverage for personal property.

2.2.2 Coverage B – Related Private Structures

Coverage B covers unattached structures related to the dwelling, including their additions, built-in components, fixtures and detachable building items. Coverage also applies to fences, driveways, sidewalks and other permanently installed outdoor structures.

2.2.3 Coverage C – Personal Property

Coverage C covers household contents and personal property usual to the occupancy of the dwelling as a residence.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

2.2.4 Coverage D – Additional Living Costs and Fair Rental Value

Coverage D covers increased living costs and/or loss of rental value that occurs when an insured loss makes a covered location unfit for use.

2.3 Liability Coverage

This coverage is for Landlords and provides Premises-Only coverage. Coverage may be deleted if this is an owner-occupied dwelling or if liability coverage is provided elsewhere. Loudoun Mutual has no option for Personal Liability other than as provided by a Homeowners policy. Liability coverage may not be written on dwellings under construction if the insured builds more than 2 dwellings per year.

2.3.1 Coverage L – Bodily Injury Liability/ Property Damage Liability

Coverage L pays on behalf of the insured for damages due to bodily injury or property damage caused by an occurrence that involves the residential use of the insured premises or related operations.

2.3.2 Coverage M – Medical Payments

Coverage M pays the medical expenses incurred by persons who are not insureds or tenants if bodily injury occurs in connection with the insured premises.

2.3.3 Coverage P – Personal Injury Liability

Coverage P pays on behalf of the insured for injury other than bodily injury and includes such offenses as slander, libel, invasion of privacy, false arrest, detention, imprisonment, malicious prosecution, wrongful entry, and eviction.

2.3.4 Liability Limits

Each Occurrence Limits – A combined single limit applies to the sum of all losses payable as damages under Coverages L and P and all medical payments under Coverage M. Medical expenses payable under Coverage M are also subject to a Per Person Sub-Limit.

The basic rating information for the Landlord's Premises Only Liability contemplates the following Each Occurrence Limit and Per Person Sub-limit:

Each Occurrence Limit Coverages L, M, and P	\$100,000
Per Person Sub-limit Coverage M	\$1,000

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

General Aggregate Limit – Coverage is subject to a general aggregate limit, which is the most that will be paid during a 12-month policy period for all damages under Coverages L and P and all medical expenses under Coverage M. The General Aggregate Limit is twice the Each Occurrence Limit of Coverages L, M, and P.

Optional Limits – Limits for Coverages L, M and P may be increased as shown below:

	<u>One-Family</u>				<u>Each add'l unit</u>			
Coverage L <u>Liability</u>	<u>Cov.M - Medical Payments</u>							
	<u>1,000</u>	<u>2,000</u>	<u>3,000</u>	<u>5,000</u>	<u>1,000</u>	<u>2,000</u>	<u>3,000</u>	<u>5,000</u>
\$100,000	25	26	27	29	25	26	27	29
\$300,000	28	29	30	32	28	29	30	32
\$500,000	30	31	32	34	30	31	32	34
\$1,000,000	55	56	57	59	55	56	57	59
\$2,000,000	125	126	127	129	125	126	127	129

No Liability Coverage – If liability coverage is not provided by the policy, show 000s on the declarations for Coverage L, M and P.

Attach endorsement [GL 0605](#).

2.3.5 Commercial Liability General Aggregate Amendment

The LM-37 endorsement may be added to a dwelling policy which provides liability coverage using the GL 0605 form. When this endorsement is added, the GL 0605 form is modified and the General Aggregate Limit applies to each insured premises. There is no charge for this endorsement.

Attach endorsement [LM-37](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

2.4 Loss Settlement Provisions

2.4.1 Form FL – 1

Covered losses are settled on an actual cash value basis.

2.4.2 Forms FL – 2 and FL – 3

An 80% insurance-to-value requirement triggers replacement cost loss settlement for covered building losses. Other covered losses are settled on an actual cash value basis.

2.5 Perils Insured Against

2.5.1 Forms FL – 1 and FL - 2

Form FL – 1 (Basic Form Fire and/or Basic Form Fire and Extended Coverage) and Form FL – 2 (Broad Form) provide coverage for loss caused by the perils indicated below:

Form Used Perils Covered	FL-1 (Fire)	FL-1 (Fire&EC)	FL-2 (Broad)
Fire or lightning	X	X	X
Explosion	X	X	X
Windstorm or Hail		X	X
Riot or Civil Commotion		X	X
Aircraft		X	X
Vehicles		X	X
Smoke		X	X
Volcanic Action		X	X
Sinkhole Collapse		X	X
Vandalism		(Optional)	X
Burglary Damage			X
Falling Objects			X
Weight of Ice, Snow, or Sleet			X
Accidental Tearing Apart, Burning, or Bulging			X
Accidental Discharge of Liquids or Steam			X
Freezing of Plumbing or Heating System			X
Sudden and Accidental Electrical Damage			X

2.5.2 Form FL – 3

Form FL – 3 (Special Form) covers the residence and related private structures against all risks of physical loss, with certain exceptions.

When personal property is covered under Form FL – 3, the Broad Form (FL – 2) perils apply.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

2.6 Policy Limits

	FL – 1	FL- 2	FL - 3
Min Coverage A	\$5,000	\$5,000	\$5,000
Coverage B	10% of A	10% of A	10% of A
Coverage C	RATE SEPARATELY		
Coverage D	10% of A	10% of A	10% of A

2.6.1 Form FL – 1

An FL – 1 policy may include Coverage A and/or Coverage C. Each is rated separately.

10% of the Coverage A limit applies to Coverage B and to Coverage D without an additional charge. Payment of a loss under Coverage B or Coverage D will not reduce the Coverage A limit available for the same loss.

2.6.2 Form FL – 2

An FL – 2 policy may include Coverage A and/or Coverage C. Each is rated separately.

10% of the Coverage A limit applies to Coverage B and to Coverage D without an additional charge. Payment of a loss under Coverage B or Coverage D will not reduce the Coverage A limit available for the same loss.

2.6.3 Form FL – 3

An FL – 3 policy must include Coverage A; Coverage C is optional. Each is rated separately.

10% of the Coverage A limit applies to Coverage B and to Coverage D without an additional charge. Payment of a loss under Coverage B or Coverage D will not reduce the Coverage A limit available for the same loss.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 3 – POLICYWRITING INSTRUCTIONS

3.1 Inception Time

The policy must be issued to take effect at 12:01 am on the inception date.

3.2 Policy Term

3.2.1 Annual

Rating information for annual policies is shown in this manual. An annual policy can be extended for successive terms by issuing a renewal declaration. The premium for each successive term is based on the rating information, rules, forms, and endorsements in effect on the renewal date.

3.2.2 Less Than One Year

A policy may be written for a term of less than one year in order to maintain common expiration dates with other policies, or if a policy is used to cover a dwelling under construction/renovation, or at the request of the company. Prorate the annual premium.

3.3 Additional Interests and Additional Insured's

An additional owner's property interest in a covered building may be covered at no additional charge by using endorsement [FL-41](#). The policy can also be endorsed, at no additional charge, to cover the premises only liability exposures of co-owners, controlling interests, mortgagees, assignees, and receivers. Use endorsement [GL – 108](#) and show the names of the additional insureds and the location of the premises.

3.4 Coinsurance

A coinsurance clause is not required in any policy written under the provisions of this manual.

3.5 Restriction of Coverage

If a policy would not be issued because of unusual exposures, the applicant may request a restriction of coverage at no reduction in premium. The request, signed by the applicant, must be referred to the company. Use endorsement [FO-304](#).

3.6 Cancellations or Reductions in Limits of Liability or Coverage

If the policy is cancelled or the limits are reduced, the amount of any return premium due is calculated on a pro rata basis.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

3.7 Multiple Locations

A single policy can be issued to cover property at different locations and different deductibles may apply at each location.

3.8 Minimum Premium

A minimum annual premium charge of \$100 applies to each policy.

3.9 Premium Rounding

Premiums are rounded to the nearest dollar.

3.10 Waiver of Premium

An additional or return premium of \$5 or less that is generated when a policy is endorsed after its' inception is waived. However, return premiums will be refunded at the request of the insured.

3.11 Interpolation

Rating information for a limit that is between two limits shown in this manual can be developed by interpolation.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 4 – PREMIUM DETERMINATION

4.1 Calculation of Premium

Determine the appropriate protection class.

Determine the basic premium from the appropriate premium group.

Delete the charge for liability, if applicable.

Add charge for Coverage C.

Apply factor to the base rates for location of dwelling by zone.

Add charge for VMM, if applicable.

Apply the factor for a multiple family dwelling, if applicable.

If eligible for rating under the preferred program, apply the appropriate credit.

Apply credit for a higher deductible, if applicable.

Apply the alarm credit, if applicable.

Apply charges for any surcharge.

Under additional premiums, charge individually for additional endorsements at manual rates.

NOTE: Credits or Surcharges are to be applied sequentially and not cumulatively.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

4.2 UNDERWRITING FOR PREFERRED RATING PROGRAM

The tenant occupied dwelling and all related private structures to be insured under Coverage B must be well maintained and in very good to excellent condition. \$5,000 Coverage C is included in the policy at no additional premium. The coverage is on a replacement cost basis for personal property of the insured that is related to the dwelling. (Endorsement [LM-17](#) provides this additional coverage).

The minimum Coverage A – Dwelling amount of insurance is \$100,000.

The Coverage A limit of liability for the dwelling shall not be less than 100% of the estimated replacement cost. A replacement cost estimator must be submitted with the application.

The dwelling must not be more than 60 years old. A dwelling once insured in this program shall not subsequently become ineligible based on age alone.

Any risk with a loss in the past **three** years must be submitted to the company for approval.

Must be in Protected or Partially Protected area. **Unprotected property is not eligible.**

Must have a modern central heating system.

Must be written under Form **FL 3**.

Seasonal, secondary and dwellings under construction or renovation are not eligible.

Any risk with an incidental occupancy in the dwelling or in another structure on premises and/or a risk with any type of business conducted on the premises must be referred to the company for prior approval.

A picture of the dwelling and all other structures to be insured under Coverage B must be submitted with the application. Photocopies of pictures will not be accepted.

Rating: If the risk qualifies for this program the base premium will be reduced by 20%. Attach endorsement [LM 17](#).

Note: Doublewide mobile homes written under the dwelling program are **not eligible** for this program.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

4.3 Additional Hazards

The additional hazard factors shown below may be applied if any of the hazards exist. These risks are only acceptable with prior approval of the underwriter. To rate, multiply the base premium by the factor below in the rating calculation.

Hazard	Surcharge Factor
Woodstove in Dwelling	10%
Vacant, previously insured with LMIC	100%
Vacant, mortgagee-owned home	200%
Vacant, held for sale/other	250%
Seasonal Occupancy	100%
Under Renovation (Cosmetic)	25%
Under Renovation (Structural)	50%
Adjacent to Vacant Structures	20%
Condition - Inadequate Upgrades or Below Avg Cond.	25%
Condition - Poor	100%
Unsatisfactory Claims History	40%
Student Housing (\$500 minimum surcharge)	50%

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

4.4 MOBILE HOMES

Double wide mobile homes less than **6** years old, on a continuous masonry foundation and insured for at least **\$50,000**, may be insured under **Form FL 3** as a frame dwelling with no surcharge. **Mobile homes are ineligible for Preferred.**

Double wide mobile homes may be written on forms FL 1, 2 or 3. Settlements are on a RCV basis for forms FL 2 and FL3, ACV basis for FL 1.

Single wide mobile homes insured for at least \$5,000 may be insured under Form FL 1, FL 2, or FL 3. They must be tied down and fully skirted and written in the Standard Tier only.

For mobile homes over 30 years old or non-owner occupied, the home should be written in our dwelling fire standard tier. The [LM-999](#) endorsement applies, with replacement cost, stated amount and debris removal at \$5000 or 5%, whichever is greater. This endorsement is provided at NO COST for all mobile homes written on an FL 2 or FL 3 policy (does not apply to FL 1 risks).

4.5 PROTECTION CLASSIFICATION INFORMATION

Protected

Dwellings located within 1,000 feet of a public hydrant and within six road miles travel distance of one or more responding recognized fire departments.

Partially Protected

Dwellings located within six miles travel distance of one or more responding recognized fire departments of that graded area but not within 1,000 feet of a public hydrant.

Unprotected

Dwellings for which protection credit is not provided under Protected or Partially Protected as indicated above, shall be rated as Unprotected.

Suburban Rating Program

Dwellings may be eligible for rating under a protected suburban classification. To be **eligible, the residence must qualify for rating under the Preferred Plan** and meet **all** the following criteria:

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

Located within six road miles of a responding fire department.

The responding fire department must be capable of transporting a minimum of 2500 gallons of water.

The residence must be accessible year-round to firefighting equipment including the driveway to the residence.

The residence must be located in a residential subdivision or visible from a main public road.

If the residence meets all of the criteria, it may be rated as Protected. This should be indicated on the application as Protected Suburban.

Any dwelling located in a remote or isolated area or that is not readily accessible to firefighting equipment does **not** qualify for this program.

4.6 CONSTRUCTION DEFINITIONS

Frame

Exterior wall consisting of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports, aluminum or vinyl siding over frame.

Masonry Veneer

Exterior walls of combustible construction, veneered with brick or stone.

Masonry

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 roof of combustible construction (disregarding floors resting directly on the ground).

Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise, class as masonry.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

4.7 PROFESSIONAL LANDLORD CREDIT

If the following minimum lease standards and business practices regarding the rental of the properties insured have been met, a 10% credit will be applied to the base premium:

- Acceptable credit score for tenant
- Acceptable references
- The tenant must purchase and maintain a tenant homeowners' policy with liability limits of at least \$300,000
- A minimum lease term of one year with no subleasing allowed
- Prohibitions of:
 - Supplemental heating sources (other than electric),
 - Dogs on premises,
 - Smoking within the confines of the dwelling, or
 - Grills, outdoor fryers, or outdoor fireplaces on wooden decks
- No more than 2 residents per bedroom
- No exterior playground equipment (other than small swing sets) including trampolines and inflatable pools
- No business conducted on premises
- Adequate hard wired smoke detectors must be present within the structure
- No common use laundry facility

The signed certificate must be submitted with the application. Attach the [Professional Landlord Credit Certificate](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 5 – DEDUCTIBLES

5.1 Flat Deductibles – All Perils

A deductible amount is subtracted from all covered property losses, except those losses covered under the following incidental coverages: Emergency Removal, Fire Department Service Charge and Grave Markers.

The deductible amount is subtracted only once per occurrence and applies on a per dwelling basis.

The policy may be issued with one of the deductible options shown below. Apply the deductible factor to the base premium.

Deductible Amount	Factor
\$ 500	1.00
\$ 1,000	.90
\$ 2,500	.80
\$ 5,000	.70
\$10,000	.65
\$25,000	.55
\$50,000	.50

5.2 Higher Windstorm or Hail Deductibles

A policy that includes Coverage A can be issued with a deductible applicable to a loss caused by windstorm or hail that is higher than the deductible that applies to all other perils.

The following windstorm or hail deductible options are available. Apply the factor to the base premium.

Deductible Amount	Factor
\$1,000	.95
\$2,500	.90
\$5,000	.85

All property located in Rating Zones 10 or 11 must have a \$5,000 Windstorm or Hail deductible.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 6 – PREMIUM MODIFICATIONS

6.1 Protective Devices

The protective device factors shown in this manual may be applied for the installation of the following approved and properly maintained alarm and/or sprinkler systems:

Protective Device	Factor
Central Station Fire & Smoke Alarm	.90
Fire Department Alarm	.95
Local fire or smoke alarm on every floor	.98
Fire Suppression Sprinkler System	.95

Maximum credit for all types of protective devices is 15%. Written documentation is required for all central station alarms. Credits do not apply to seasonal dwellings or dwellings under construction. Use endorsement [FL – 216](#).

6.2 Coverage A Modified Replacement Cost – Forms FL – 2 and FL – 3

The policy can be endorsed to provide replacement cost coverage for partial losses when the Coverage A limit is less than 80% of the dwelling's replacement cost. Apply the factor below and use endorsement [FL – 256](#).

Coverage A Limit % of Replacement Value	Factor
66% - 79%	1.15
50% - 65%	1.35
Below 50%	1.75

6.3 Ordinance or Law Coverage

Coverage can be added for the increased cost that results from the enforcement of a code, ordinance, or law that regulates the use, construction, repair, demolition or removal of debris of covered property following a covered loss.

Factor **1.20** applies to the dwelling premium.

Attach endorsement [FL-257](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

RULE 7 – COVERAGE OPTIONS

7.1 Vandalism – Form FL – 1 Only

Vandalism is an optional coverage under policy form FL-1. Make an entry on the declarations to show that FL-1 coverage applies with vandalism. Apply the rate below to the Coverage A and Coverage C limit.

Coverage	Rate (per thousand)
Vandalism	\$.10

7.2 Earthquake

Earthquake coverage can be added. Coverage applies to the same coverages and for the same limits as the other perils. The deductible limit applying per occurrence will be 2% of the coverage amount or \$250, whichever is greater. Apply the rate below to the Coverage A and Coverage C limits. Use endorsement [FL – 12](#).

Coverage	Rate (per thousand)
Earthquake	
Frame*	\$.23
All Other	\$.38

7.2.1 Limited Earthquake Coverage

Up to \$50,000 coverage for direct physical loss to property covered under Coverages A and B caused by earthquake can be added to the policy. A **\$2500** deductible applies to this coverage.

Rate: Flat charge of **\$35.00** applies per **dwelling**.

Attach endorsement [LM-554](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.3 Water Damage

Coverage can be added for loss caused by water that backs up through sewers, drains or sumps. A **\$15,000 limit** and a **\$250 deductible** apply. Coverage applies to both Coverage A and Coverage C. Use endorsement [FL-208](#) and charge the premium below.

Coverage	Rate (per dwelling)
Water Damage	\$20

7.4 Loss Assessment

7.4.1 Without Earthquake

Coverage can be added for loss assessment charged to the insured when collectively owned property is damaged by a peril insured against, other than earthquake. Use endorsement [FL-50](#) and charge the premium below.

Coverage	Rate (per thousand)
Loss assessment	\$3.00

7.4.2 Earthquake Only

Coverage can be added for loss assessment charged to the insured when collectively owned property is damaged by earthquake. Use endorsement [FL-53](#) and charge the premium below.

Coverage	Rate (per thousand)
Loss assessment	
Earthquake	
Frame*	\$.23
All Other	\$.38

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.5 Private Structures

The policy provides up to 10% of the Coverage A limit on a blanket basis. This blanket limit may not be increased.

7.5.1 Specific Structures

Coverage may be provided for a specific private structure adjacent to a covered dwelling for an additional charge. To be eligible for coverage under this rule, a private structure cannot be:

- used for business purposes; or
- rented or held for rental to anyone other than a tenant of the residence, except for use solely as a private garage.

Use the rating information below for the applicable construction and protection classification and use the applicable zone and deductible factors. The same form and deductible apply to Coverage B that applies to Coverage A. Describe the structure on the Declarations and show the limit of coverage.

Protection/Construction	Rate (per thousand)		
Protected	Form 1	Form 2	Form 3
Brick	\$1.45	\$1.65	\$1.75
Frame	\$1.75	\$1.95	\$2.05
Partially Protected			
Brick	\$1.65	\$1.85	\$1.95
Frame	\$2.40	\$2.60	\$2.70
Unprotected			
Brick	\$1.95	\$2.15	\$2.25
Frame	\$2.95	\$3.15	\$3.25

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.5.2 With Permitted Incidental Occupancies

A private structure on the premises with a permitted incidental occupancy can be covered by endorsement. Use endorsement [FL-16](#).

Use the rating information below for the applicable construction and protection classification and use the applicable zone and deductible factors. The same form and deductible apply to Coverage B that applies to Coverage A. Describe the structure on the Declarations and show the limit of coverage.

Protection/Construction	Rate (per thousand)		
Protected	Form 1	Form 2	Form 3
Brick	\$1.45	\$1.65	\$1.75
Frame	\$1.75	\$1.95	\$2.05
Partially Protected			
Brick	\$1.65	\$1.85	\$1.95
Frame	\$2.40	\$2.60	\$2.70
Unprotected			
Brick	\$1.95	\$2.15	\$2.25
Frame	\$2.95	\$3.15	\$3.25

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.5.3 At Other Locations

Coverage may be provided for a specific private structure that is not adjacent to a covered dwelling for an additional charge. To be eligible for coverage under this rule, a private structure cannot be:

- used for business purposes; or
- rented or held for rental to anyone other than a tenant of the residence, except for use solely as a private garage.

Use the rating information below for the applicable construction and protection classification and use the applicable zone and deductible factors. The same form and deductible apply to Coverage B that applies to Coverage A. Describe the structure on the Declarations and show the limit of coverage.

Protection/Construction	Rate (per thousand)		
Protected	Form 1	Form 2	Form 3
Brick	\$1.45	\$1.65	\$1.75
Frame	\$1.75	\$1.95	\$2.05
Partially Protected			
Brick	\$1.65	\$1.85	\$1.95
Frame	\$2.40	\$2.60	\$2.70
Unprotected			
Brick	\$1.95	\$2.15	\$2.25
Frame	\$2.95	\$3.15	\$3.25

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.6 Coverage C – Personal Property

Use the rating information below for the applicable construction and protection classification and use the applicable zone and deductible factors. The same form and deductible apply to Coverage C that applies to Coverage A, except that Form 2 perils apply if FL 3 is written. Apply the zone factor.

Protection/Construction	Rate (per thousand)		
Protected	Form 1	Form 2	Form 3
Brick	\$1.45	\$1.65	\$1.65
Frame	\$1.75	\$1.95	\$1.95
Partially Protected			
Brick	\$1.65	\$1.85	\$1.85
Frame	\$2.40	\$2.60	\$2.60
Unprotected			
Brick	\$1.95	\$2.15	\$2.15
Frame	\$2.95	\$3.15	\$3.15

7.7 Coverage D – Additional Living Costs and Fair Rental Value

The policy automatically includes coverage (10% of the Coverage A limit) for additional living costs and fair rental value. The Coverage D limit can be increased for an additional charge. The additional charge applies only to the amount of insurance in excess of the basic limit. Use the rate per thousand from the chart below. Do not apply deductible factors. Apply zone factor.

Protection/Construction	Rate (per thousand)		
Protected	Form 1	Form 2	Form 3
Brick	\$1.45	\$1.65	\$1.75
Frame	\$1.75	\$1.95	\$2.05
Partially Protected			
Brick	\$1.65	\$1.85	\$1.95
Frame	\$2.40	\$2.60	\$2.70
Unprotected			
Brick	\$1.95	\$2.15	\$2.25
Frame	\$2.95	\$3.15	\$3.25

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.8 Consent to Move Mobile Home

Coverage can be extended to cover the mobile home while it is at a different location than the one stated on the declarations page.

Attach endorsement [FL-25](#).

7.9 Collision or Upset Coverage

Coverage can be extended to cover direct loss to covered property caused by collision of the mobile home with another object or by upset of the mobile home. Coverage applies at the location of the mobile home on the declarations page or at another location if you have our written consent to move the mobile home. Coverage applies for 30 days.

Attach endorsement [FL-26](#).

7.10 Vendor's Single Interest

Coverage can be provided for the interest of the lienholder. Coverage for collision, conversion, embezzlement, or secretion is provided.

Premium

\$10 per mobile home

Attach endorsement [FL-27](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.11 Tenant's Improvements -- Forms FL-1 and FL-2

When form FL-1 or FL-2 is issued to cover a tenant's personal property, incidental coverage for the tenant's interest in permanent fixtures, alterations, decorations, and additions is automatically extended for up to 10% of the Coverage C limit. Loss settlement is on an actual cash value basis. No additional charge applies and no endorsement is needed.

The limit that applies to tenant's improvements can be increased for an additional charge. Use the "Each Add'l \$1,000" rating information for the perils and the territory, construction, protection, and occupancy classification that apply to Coverage C and apply the deductible factors. The additional charge applies only to the amount of insurance in excess of 10% of the Coverage C limit.

Attach [FL-30](#).

7.12 Fire Department Service Charge

The limit for fire department service charges can be increased.

Refer to Company for Rate

Attach [FL-30](#).

7.13 Condominium Fixtures, Additions and Alterations – Form FL 2 Only

When FL 2 is used for a condominium unit owner to cover the unit contents, 10% of the Coverage C limit is automatically extended to cover the unit owner's interest in fixtures, additions, alterations, structures, installations and other building related items if endorsement [FL-32](#) is attached. The limit should be shown on the declarations as Coverage A.

The 10% limit may be increased for an additional premium. Charge only for the amount of insurance above the 10% limit.

FL-32 (Rate per thousand)

\$3.50

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

The items covered can be converted from a Broad Perils Coverage Basis to a **Special Perils Coverage Basis** by attaching [FL-33](#). Charge for the entire Coverage A limit.

FL-33 (Rate per thousand)

\$4.00

If no coverage C is covered, the unit owner's interest in the building items can still be covered. Use either the FL 2 or FL 3 rating information for three to four family dwelling for the applicable rating protection, construction, and zone. Apply the deductible factor. Show the limit for Coverage A on the declarations and attach either FL 32 for Broad Perils or FL 33 for Special Perils. The items covered can be converted from a Broad Perils Coverage Basis to a Special Perils Coverage Basis by attaching FL 33.

Earthquake coverage may be added by referring to Rule 7.2.

7.14 Replacement Value – Personal and Miscellaneous Property

Personal property and other miscellaneous property can be insured for its replacement value.

Rate: \$.83 per \$1000 of personal property.

Attach endorsement [FL-55](#).

7.15 Expanded Replacement Cost – Forms FL 2 and FL 3 only (Not applicable if ML-256 is attached.)

At the option of the company, the replacement cost terms that apply to Coverage A can be expanded to pay up to 120% of the Coverage A limit when a covered loss exceeds the limit shown on the declarations and the insured elects to repair or replace the dwelling. The Coverage A limit shown on the declarations must equal at least 100% of the residence's replacement cost at policy inception or at the time the expanded replacement cost terms are added to the policy.

Underwriting Guidelines:

1. Forms FL 2 or FL 3 only (**Condos and Mobile Homes are ineligible**)
2. Dwelling must not be more than 60 years of age at the time replacement cost coverage is written.

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

3. Amount of coverage at time of writing must be 100% of the estimated replacement cost.
4. The Dwelling Replacement Cost Estimator furnished by Loudoun Mutual must be submitted with each application.
5. The physical condition and level of maintenance must be very good to excellent. Property must be very attractive and highly desirable showing pride of ownership.

Rate: \$5 flat charge per policy. Attach endorsement [LM-145](#).

7.16 Coverage C Higher Limit of Liability on Certain Property

The special limit that applies to money (\$200), securities (\$1000) and business property that pertains to a business conducted on the insured premises (\$2500 limit for business property on premises and \$250 while away from the insured premises) can be increased.

Refer to Company for Rate

Attach endorsement [FL-15](#).

7.17 Automatic Increase in Insurance

Also known as inflation guard coverage for Coverage A and B. The Coverage A and B limits can be automatically increased on a quarterly basis.

The percentage increases available are 4, 6, 8 and 10%.

Percentage Increase	Factor
4%	1.02
6%	1.03
8%	1.04
10%	1.05

Attach endorsement [FL-10](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.18 Dwelling Under Construction – Theft

Coverage can be provided for theft or attempted theft in or to a residence being built or a newly constructed residence before it is occupied. Coverage also applies to theft of materials and supplies used in construction of the residence.

Attach endorsement [ML-422](#) and make an entry to show the limit that applies.

Rate: \$6.00 per thousand of insurance.

Maximum limit of coverage - **\$50,000**.

NOTE: Minimum premium retention for this coverage is \$50. The agent must notify the company when this coverage is no longer needed so that it can be deleted from the policy.

7.19 Landlord Guardian

FL 2 and **FL 3** dwelling policy forms may be endorsed with a special package of optional coverages outlined below:

\$10,000 Water & Sewer backup coverage (subject to a \$500 deductible)
Ordinance or Law Coverage, subject to the Coverage A limit
\$1,500 Debris Removal of Trees
\$5,000 Personal Property Coverage
Replacement Cost Coverage on Personal Property

Rating: 10% of the base premium; \$35.00 minimum premium per dwelling
Attach endorsement [LM-90](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.20 Home Systems Protection and Service Line Coverage V2 (effective 1/1/2022 for new business and policies newly endorsed with this coverage)

Coverage may be added to all FL 1, FL 2, and FL 3 forms **EXCEPT** for the following types of risks: mobile homeowner, condo unit owner and contents only risks. The insured's important home systems are covered for mechanical or electrical breakdown. Covered equipment includes property covered under Coverage A – Residence or Coverage B – Related Private Structures that generate, transmit or utilize energy. Kitchen and laundry appliances are covered equipment if the items (refrigerator, dishwasher, oven, stove, clothes washer, or dryer) are permanently installed.

Endorsement also includes physical damage to a covered service line, such as: water, well and sewer, ground-loop (geothermal), power, communications and data, drainage, or an outdoor heat source, which result in a leak, break, tear, rupture, or collapse. Common causes are excavation, intrusion, electrical arcing, root invasion, deterioration and freezing.

Limits:

Home Systems Protection

The per occurrence limit is **\$100,000** and the per occurrence deductible is **\$500**. If the covered home equipment is determined to be **15 years or older**, a **\$1,500** limit per damaged unit will apply.

Service Line Coverage

The per occurrence limit is **\$10,000** and the per occurrence deductible is **\$500** for any service line failure. If the dwelling is **50 years or older**, a limit of **\$2,500** per damaged covered service line is provided.

Rate: **\$41** per **DWELLING**

Attach endorsement [LM-HSPSL-V2](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.21 Matching of Undamaged Roofing Materials

The endorsement provides coverage for that undamaged portion of the roof on your dwelling or other structure when coverage is not afforded by the claim. Coverage is provided for 5% of the Coverage A limit for roofing material and is subject to an additional \$1,000 deductible.

Ineligible Risks:

- Any dwelling or outbuilding containing slate or cedar shakes, copper materials, or asphalt shingles over 20 years old.
- Any roof damaged or repaired in the past 10 years.

Rate: \$.05 per thousand of coverage subject to a \$25 minimum premium.

Attach endorsement [LM-46](#).

7.22 Matching of Undamaged Siding Materials

The endorsement provides coverage for that undamaged portion of the siding on your dwelling or other structure when coverage is not afforded by the claim. Coverage is provided for 5% of the Coverage A limit for siding material and is subject to an additional \$1,000 deductible.

A dwelling or private structure containing Stucco, EFIS, or Asbestos siding materials is ineligible for coverage.

For purposes of this endorsement, brick or stone veneer is not considered a siding material.

Rate: \$.05 per thousand of coverage subject to a \$25 minimum premium.

Attach endorsement [LM-47](#).

LOUDOUN MUTUAL INSURANCE COMPANY

DWELLING PROGRAM

7.23 Inland Flood Coverage - Coverages A, B, C, and D

The endorsement provides coverage for the dwelling, other structures (like a shed or detached garage) and personal property, including personal property in a basement. It also provides coverage for debris removal and additional living expenses.

An inland flood occurs when inland waters, such as streams or rivers, overflow and partially or completely inundate normally dry land; unusual rapid rain accumulation, runoff, or snowmelt that does not drain away or soak into the ground; when water carries mud and becomes a mudflow.

Eligibility includes single and multiple family dwellings in FEMA Flood Zones except those beginning with A and V prefixes. The Inland Flood Coverage does NOT satisfy federally regulated mortgage lender requirements.

Rates :

(Zone is dependent upon the location's proximity to a flood zone)

Coverage Options	1-2	3-4	5-6	7	8	9	10
\$10,000	\$25	\$36	\$60	\$150	\$300	\$425	\$550
\$25,000	\$32	\$51	\$100	\$270	\$563	\$805	\$1,050
\$50,000	\$39	\$71	\$142	\$410	\$875	\$1,275	\$1,650

Attach endorsement [LM-28](#). \$500 deductible applies.