KENTUCKY NATIONAL INSURANCE COMPANY
Dwelling Fire Business
Company Selection and Agent Binding Limitations

1. General Requirements:

A. All business placed by the agent with the Company must originate from persons licensed for the agency by the Company. Brokered business is not acceptable and is deemed to be a violation of the Agent-Company Agreement.

B. Kentucky National must write the homeowners insurance for the prospective insured.

C. All applications or binders must be submitted (uploaded) to the Company not later than the fourth business day following the inception of coverage.

D. Risks meeting the underwriting requirements outlined below may be bound, not to exceed limits shown. Risks not qualifying may be submitted UNBOUND as outlined on Rule 7.

2. The following characteristics are indicative of dwelling risks that we actively seek to insure:

A. Insured/Applicant

1) Stability in employment, financial and personal affairs.
2) Employment and lifestyle do not increase exposure to loss.
3) Favorable prior insurance history with established good loss record.
4) Pride of ownership in dwelling.

B. Physical Characteristics of Dwelling

1) Dwellings that reflect pride of ownership with good maintenance and upkeep.
2) Located in stable or improving area with favorable impact on market value.
3) Building features which do not present a greater expectation of property or liability losses.
4) Dwellings that are not over-valued for their neighborhood.
5) Dwellings used for private residential living purposes.

3. Program Underwriting Requirements

		DP 00 01	**DP 00 02 & DP 00 03**
Coverage **A**	Minimum	$12,000	$75,000
	Maximum	$250,000	$250,000
Coverage **B**		10% of Coverage **A**	10% of Coverage **A**
Age of Dwelling		Any Age Accepted	Constructed in last 60 years
Heating		Central	Central
Solid Fuel Devices		Not Eligible	Not Eligible
Wiring		Circuit Breakers required	Circuit Breakers required
Roof Material		Asphalt Shingle, Tile, Slate, or Standing Seam Metal roofs acceptable. Rolled roofing is unacceptable.	
Fire Protection		1 – 10W, 1X-8X, 1Y-8Y	1 – 8
Prior Insurance		Required (Unless New Purchase) If prior carrier is an E&S carrier risk is not eligible.	
Insurance to Value		No Requirement	80%

4. Additional Underwriting Requirements

A. Applicable to all Dwelling exposures:

1) Dwellings over 30 years of age must have had the roof replaced, heating system updated, plumbing updated, and the electrical wiring updated.
2) Photographs showing front and rear of dwelling must be submitted within **14 days** of application.
3) A completed Home Cost Estimator must be sent at the time of policy upload.
4) Dwelling must be visible by at least two (2) separate neighbors.
5) The dwelling must have an enclosed foundation and show evidence of ongoing maintenance including, but not limited to the following: doors, windows, chimneys, walkways, roof materials, porches, rain gutters, paint, fences, gates and siding must be in good working condition. The yard of the premises must be free of debris and potential hazards such as, but not limited to: refrigerators, inoperative autos, flammable materials, piles of refuse, tall grass, tree branches extending over the structure(s), skateboard ramps and bicycle ramps, trampolines without surrounding safety netting.
6) Dwelling must be on an accessible, all weather road. An accessible all weather road is defined as: a road over which emergency and the area's typical passenger vehicles can pass at all times.
7) Each home must have a working smoke detector and fire extinguisher in the dwelling at the time of application completion as well as dead bolt locks on exterior, hinged doors.
8) Tenant or owner occupied by not more than four families.
9) Not used for business purposes.
10) No vacant or unoccupied dwellings and not under reconstruction or renovation.
11) No mobile homes.
12) No log homes.
13) No dwellings under foreclosure proceedings.
14) No swimming pools, hot tubs or spas.

B. Fire Protection

Dwellings located within approved ISO Protection Class 1-9 area may be written using form **DP 00 01**, **DP 00 02** or **DP 00 03**. Protection Class 10 dwellings may be written using only form **DP 00 01**.

C. Construction and Maintenance

1) Dwelling must be structurally sound and of good construction quality.
2) Must meet current building codes.
3) Must have been built for residential occupancy – No converted dwellings.
4) Roof must be of approved quality – Asphalt Shingle, Tile, Slate or Standing Seam Metal roofs are acceptable - No rolled roofs. Roof must have been replaced within the past 15 years.
5) Circuit breakers required.
6) Dwellings over 50 years old may be written using form **DP 00 01**. Dwellings over 30 years old must have had the roof replaced, heating system updated, plumbing updated and the electrical wiring updated.

D. Heating

1) Central heating is required.
2) Wall heaters are not acceptable.
3) Kerosene heaters and space heaters used as the primary heat source are not acceptable.
4) Solid Fuel burning devices including, but not limited to solid fuel-fired stoves, solid fuel-fired cooking stoves and combination fuel furnaces or boilers which burn solid fuel such as, but not limited to coal, wood, peat, charcoal, hexamine fuel tablets, wood pellets or pellets made from corn, wheat, rye or other grains, or any other combustion source deemed to be solid fuel are unacceptable.
5) Fireplace inserts are not acceptable.

E. Loss Experience

1) Losses – Natural Causes

KRS 304.20-340(8) states that a company may not decline or terminate coverage based solely upon the fact that the insured has one or more losses that immediately resulted from natural causes without the intervention of any person and that could not have been prevented by the exercise of prudence, diligence and care.

2) Losses – Other

Risks with a prior total fire loss or a major loss including any fire loss or theft loss in excess of $5,000 or any other loss that is not weather o catastrophe related in excess of $10,000 may not be bound.

5. Weather Procedures:

A. Earthquake Procedures

No new business property risks or additional coverage for existing property risks will be accepted for a period of 72 hours after an earthquake occurs that measures 4.0 or higher on the Richter scale. This suspension of binding authority will apply for a radius of 150 miles from the epicenter. All other areas will remain unaffected by the suspension of binding authority.

B. Severe Weather Procedures

We will not honor additional or extended coverage on property risks bound as new business or endorsed on existing policies in any area where a hailstorm, hurricane, tropical storm, tornado, flood or wildfire watch, warning or occurrence is in effect at the time of binding.

DO NOT WAIT FOR NOTIFICATION FROM THE HOME OFFICE OR YOUR FIELD REPRESENTATIVE. WHEN A HAILSTORM, HURRICANE, TROPICAL STORM, TORNADO, FLOOD OR WILDFIRE WATCH, WARNING OR OCCURRENCE IS IN EFFECT, STOP WRITING ANY COVERAGE IMMEDIATELY.

6. Earned Premium/Denied Reinstatement:

Policies with earned premium due from any prior policy of the Named Insured or Spouse, and or that have been denied reinstatement with Kentucky National Insurance Company.

7. Trial Application: When submitting an application for prior approval because either the proposed premises or the insured do not meet the binding requirements of the company, please:

a) omit any effective date;
b) do not require signature of the applicant; and,
c) do not accept any premium deposit from the applicant.