

Illinois

Homeowners

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UNDERWRITING & PRODUCT GUIDE

*Underwritten by: MIC General
Insurance Corporation*

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NatGen
PREMIER

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Eligibility

This is a summary document and is not inclusive of all underwriting criteria. Contact your underwriter for further questions.

Property Limits

		Premier	OneChoice
Property Limits	Coverage A Limit Coverage C Limit	<ul style="list-style-type: none"> HO3 — Coverage A: \$750,000 – \$5,000,000 HO4/HO6 — Coverage C: \$100,000 – \$1,000,000. Refer any premier homes over \$3,000,000 or secondary/seasonal homes over \$750,000.	<ul style="list-style-type: none"> HO3 — Coverage A: \$100,000 – \$3,000,000 HO4/HO6 — Coverage C: \$25,000 – \$1,000,000. Refer any homes over \$1,500,000 or secondary/seasonal homes over \$750,000.
	Coverage C Relationship	HO3 Only: Refer to underwriting if Coverage C is greater than Coverage A.	
Deductibles		<ul style="list-style-type: none"> Minimum: \$250 Maximum: \$5,000. 	
Other Structures	Specific Structure On Premises Rented to Others	No more than one location.	
	Other Structures Away from Premises	Underwriting approval needed if: <ul style="list-style-type: none"> More than two locations Limit greater than \$100,000. 	
Earthquake Coverage		Minimum deductibles: <ul style="list-style-type: none"> Zone 1: 5% Zone 3: 15% Zones 4 and 5: 10%. 	
Insurance-to-Value		Coverage A must be at least 100% of calculated replacement cost.	

Applicant Information

Arson or Fraud	Ineligible.
Occupation	Refer to underwriting if professional athlete, entertainer, journalist, politician, or other high-profile profession.
Previous Cancellations	Refer to underwriting if: <ul style="list-style-type: none"> • Prior insurance has been canceled, declined, or non-renewed in the past 5 years for reasons other than agency terminations, carrier insolvency, or a carrier decision to eliminate exposures in state. • Coverage lapsed in the past year.
Prior Insurance	Ineligible if property was not previously insured (not applicable to HO4).
Background	Ineligible if applicant has had a prior foreclosure, repossession, judgement, lien, or bankruptcy during the past 5 years.
Named Insureds	Named insureds must have insurable interest in the property.

Loss History

New Business and Renewals	<p>Applicant must have no more than one loss in the last 5 years (including \$0 paid claims).</p> <p>Refer to underwriting if:</p> <ul style="list-style-type: none"> • Applicant water losses or water losses at the location to be insured in the last 5 years which are equal to or greater than \$10,000 • Applicant or location to be insured had a liability loss in the last 5 years.
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Occupancy

Number of Families	Up to two families if owner occupied.
Vacant/Foreclosed/For Sale	Not eligible.
Seasonal and Secondary Dwellings	<p>Primary home must be insured by the company. Proper winterization is required.</p> <p>The following exceptions apply:</p> <ul style="list-style-type: none"> • Eligible if primary located out-of-state (where the company does not write business), or • Primary does not meet catastrophe underwriting guidelines.
Rentals	<p>Ineligible if primary residence is rented.</p> <p>Underwriting approval needed for short term rentals, up to 3 months.</p>
Townhouse/Row house	<p>Acceptable:</p> <ul style="list-style-type: none"> • Townhouse/Row house with firewalls • Masonry row houses. <p>Ineligible:</p> <ul style="list-style-type: none"> • Townhouse/Row house with more than eight individual family units within a fire division • Three and four family units • Frame row houses.

Protection Class/Risk Location

Protection Class	<p>Acceptable risks:</p> <ul style="list-style-type: none"> • Protection Classes 1–9 subject to following conditions: <ul style="list-style-type: none"> ▪ Property less than 5 miles away from the fire department ▪ Adequate water supply via dry hydrant, cistern, or sufficient fire department shuttle ▪ Accessible year-round by plowed road. <p>Risk with a Protection Class 10 are ineligible.</p>
Brush or Forest Fire, wave wash, cave-in, sinkhole or landslide	Ineligible if property is exposed to an announced brush, range or forest fire, or within susceptible path of existing fire or locations that are exposed to wave wash, cave-in, sinkhole or landslide exposures.

Risk Specific Characteristics

Dwelling Age	No maximum dwelling age. Home must be in good condition and have full system updates as described in this document.	
Condition of Premises	All property (dwelling, outbuildings, and insured premises) must not have any observable hazards or deficiencies in need of repair and that may present an increased exposure to physical damage or liability loss. The presence of any preexisting damage is unacceptable.	
Historic Home	Homes listed on any historic registries are ineligible.	
Roof	Premier	OneChoice
	<p>The following are ineligible:</p> <ul style="list-style-type: none"> • Roofs that are tar paper, rolled, plywood boards, stapled, asbestos, and corrugated metal. • Roofs older than 20 years, unless slate or tile. • Roof that is greater than 15 years of age without Roof Surface coverage or Actual Cash Value Loss Set Roof coverage. • Roof type that is not asphalt or composition shingle without Cosmetic Roof Damage Exclusion coverage. <p>Note: Flat roofs in good condition are acceptable. Flat roofs with decks or porches must have protective railing.</p>	<p>The following are ineligible:</p> <ul style="list-style-type: none"> • Roofs that are flat (located in a county other than Cook), tar paper, rolled, plywood boards, stapled, asbestos, and corrugated metal. • Roofs older than 20 years, unless slate or tile. • Roof that is greater than 15 years of age without Roof Surface coverage or Actual Cash Value Loss Set Roof coverage. • Roof type that is not asphalt or composition shingle without Cosmetic Roof Damage Exclusion coverage. <p>Note: Flat roofs in Cook County that do not have any losses in the last 5 years are acceptable.</p>
Electrical	<p>Homes with any of the following are ineligible:</p> <ul style="list-style-type: none"> • Dwelling does not have minimum of 100 amps and 220 volt service • Electrical not controlled by circuit breakers • Knob and tube or aluminum wiring present • Presence of Federal Pacific Stab Lok or Zinsco electrical panels. 	
Plumbing	<p>Homes with any of the following are ineligible:</p> <ul style="list-style-type: none"> • Polybutylene, galvanized pipes and fittings, or lead plumbing • Plumbing that is more than 50 years old and has not been updated. 	

Risk Specific Characteristics Continued

Dwelling Under Construction	<p>Ineligible for New Business.</p> <p>Refer to underwriting if dwelling is under renovation.</p> <p>Existing policies under construction or renovation must be referred to underwriting. If approved the following conditions apply:</p> <ul style="list-style-type: none"> • Completion of the dwelling must occur within a 6-month time period. • The dwelling will be owner-occupied. • Licensed contractor with a minimum of \$1,000,000 liability coverage (confirmation retained in Agency). • Home must be insured to 100% of estimated completed replacement cost throughout the construction. • The homeowner's premium will not be modified by any discounts or credits until full completed and occupied. • Specified additional amounts or percentages of insurance cannot apply until completion.
Protective Devices	<p>Central fire alarm or full house sprinkler and central burglar alarms required if:</p> <ul style="list-style-type: none"> • Primary with Coverage A greater than \$1,500,000 • Secondary/seasonal with Coverage A greater than \$1,000,000 • Protection Class 9 with Coverage A greater than \$1,000,000. <p>Smoke detectors on all floors required for all homes.</p>

Additional Exposures

Pets	<p>The following are ineligible:</p> <ul style="list-style-type: none"> • Dogs that have caused prior liability losses or that have bite history and are still owned by an insured. • Any wild animals.
Business Activity	Incidental business only and underwriting approval needed.
Home Day Care	Ineligible.
Trampolines	<p>Trampolines are acceptable subject to the following conditions:</p> <ul style="list-style-type: none"> • Surrounded by safety netting • On flat ground.

Additional Exposures Continued

Swimming Pools		Swimming pools are acceptable subject to the following conditions: <ul style="list-style-type: none"> • Pool is fenced in with a self-locking gate • There are no diving boards greater than 18 inches above the water surface • Above ground pools are equipped with a pull up ladder. Slides are acceptable.
Attractive Nuisances		The following are ineligible: <ul style="list-style-type: none"> • Presence of skateboard or bicycle ramps on premises • Treehouses that are above 12 feet from ground.
Recreational Vehicles		Ineligible if: <ul style="list-style-type: none"> • Used for racing, stunt, speed or demolition activity • Driven by person under 16 years of age • Not factory built.
Watercraft Liability Endorsement	Use	Ineligible if used for racing, for charter, for hire, or for commercial purposes.
	Accidents and Minor Violations	Must meet personal automobile underwriting guidelines.
	Major Violations	No major vehicle violations in past 5 years.
	Boat Violations	No boating violations in past 5 years.
	Boat Type	Ineligible if jet ski, jet boat, houseboat, wave runner, or experimental craft.
	Length/Speed	<ul style="list-style-type: none"> • Length is less than or equal to 26 feet • Speed is less than or equal to 50 mph.
Farming		Ineligible unless incidental or as a hobby. Refer to underwriting if more than two farm animals.
Timeshares		Ineligible.
Trusts		Acceptable subject to the following conditions: <ul style="list-style-type: none"> • Trustee, grantor or beneficiary resides on residence premises • No commercial exposure.
LLCs		Acceptable subject to the following conditions: <ul style="list-style-type: none"> • Members of LLC reside on residence premises • No commercial exposure and must be set up for estate planning purposes only.
Mortgagees		Underwriting approval required if more than two mortgages.
Types of Construction		The following risks are ineligible: mobile homes, manufactured homes, underground or earth homes, fiberglass, yurts, balloon constructions, EIFS if built prior to 2000.
Types of Foundation		The following types of foundations are ineligible: pilings, piers, wharves, jetties or open foundations.
Lead Paint		If property built prior to 1978 and a multifamily or rental property, proof of lead remediation may be required.
Underground Oil Tanks		The following conditions may apply: <ul style="list-style-type: none"> • Proof that oil tank is less than 3 years old • Maintenance contract needed.

Earthquake Coverage

All Zones	<p>Underwriting approval required if earthquake coverage applies to any of the following:</p> <ul style="list-style-type: none"> • Dwelling is solid masonry or superior construction • Dwellings in Zone 2 • Dwelling was built before 1950 • Roof is masonry, cement, slate, or tile.
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Scheduled Personal Property

	Premier	OneChoice
Appraisal/Bill of Sale Requirements	Any items greater or equal to \$75,000.	<ul style="list-style-type: none"> • Any items greater or equal to \$10,000 if Coverage A is less than \$500,000. • Any items greater or equal to \$25,000 if Coverage A is greater than \$500,000.
All Scheduled Classes	<p>Underwriting approval needed if:</p> <ul style="list-style-type: none"> • HO3/HO6 — Any item is greater than or equal to \$100,000 • HO4 — Any item is greater than or equal to \$25,000 • Total schedule is greater than or equal to \$200,000. <p>Ineligible if items are used professionally, for trading or display, or not owned or in possession of insured.</p>	<p>Underwriting approval needed if:</p> <ul style="list-style-type: none"> • HO3/HO6 — Any item is greater than or equal to \$50,000 • HO4 — Any item is greater than or equal to \$25,000 • Total schedule is greater than or equal to \$100,000. <p>Ineligible if items are used professionally, for trading or display, or not owned or in possession of insured.</p>

Excess Liability

Number of Locations	Underwriting approval required if extending liability to more than four properties or eight total units.
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Transaction Guidelines

Binding New Policies

An Agent in good standing with National General Insurance has the authority to bind coverage according to the terms and conditions in this guide. New business applications cannot be bound or effective until the following conditions are met:

- The Agent has obtained adequate information to accurately rate the risk and has done so.
- The application and all applicable forms and documents are completed and signed by the applicant and the appointed Agent.
- The down payment or payment in full has been collected.

All applications must be submitted within 48 hours of the policy effective date.

National General Insurance reserves the right to reject or cancel any risk not bound in accordance with these rules. Agents do not have authority to issue policies, endorsements, or cancellation notices — unless specifically authorized by National General Insurance in writing.

Brokering is not permitted. It is not acceptable to give our underwriting materials to other Agents or brokers or to accept applications from them for risks they have underwritten or will service outside your office. Violations will result in immediate termination of the agency agreement.

Transfer or Assignment

National General Insurance does not allow transfer or assignment of the coverage to a new location or new owner(s). A new, signed application specific to the new owner or new location is required. The new application must meet the eligibility requirements.

Hazardous Weather Binding Restrictions

If a hurricane, tropical storm, tornado, hailstorm, or flood occurs or a warning is placed in effect, do not bind any new coverage. New coverage can be added when the moratorium or warning is lifted.

Misrepresentation of Risk

Misrepresentation of a risk is insurance fraud. Each applicant has the responsibility and obligation to truthfully complete an application for insurance and to inform National General Insurance of any and all changes during the policy period. Failure to do so could result in denial of a claim or rescission of a policy.

The Agent is responsible for helping the applicant fully disclose all material facts. To avoid possible misrepresentation and to ensure the accuracy of quoted premiums:

- Make sure the applicant understands and answers all questions. Ask the applicant all questions on the application concerning business use, past insurance fraud, and felonies.
- Inform the applicant that National General Insurance uses MVRs (watercraft), C.L.U.E., credit reports, and other available reports to assist in verifying information and rating a policy.
- Disclose all losses and accident activity.

Endorsements

Endorsement requests should be submitted using our agency policy system.

Premium adjustments resulting from policy changes will be made at the time of endorsement or incorporated into future installment bills. If all installment payments have been received, premium adjustments will be billed or credited directly to the insured.

Certain types of endorsements will be reviewed by National General Insurance and additional information may be requested as a result of the transaction being performed.

Cancellations

None of the mandatory coverages in the policy may be canceled unless the entire policy canceled. If insurance is canceled, if coverages are reduced, or in the event of foreclosure, we will calculate the earned premium on a pro rata basis.

Flat Cancellations

If the insured wants the policy canceled flat, the Agent request must submit the cancellation request within 30 days of the date of issuance of the policy.

Insured Requested

Insured requested cancellations are calculated pro rata.

When an Agent receives a request to cancel a policy from a named insured, co-named insured, or resident spouse who is listed on the Declarations Page, the Agent can process the cancellation. A signed written request from the named insured is required. The insured's signed written request and any necessary proof documents must be retained in the Agent's office.

Company Requested — Cancellation for Non-Payment

If payment for a billed installment is not received by the due date, a notice of cancellation may be sent to the insured, Agent, and any mortgagee or additional interest. If payment is received before the cancellation effective date, the cancellation will not take effect and the policy will remain in-force. If the payment is received on or after the cancellation effective date, the cancellation will take effect. Cancellations for non-payment of premium are calculated pro rata.

Experience Period

The experience period is 60 months prior to the policy effective date.

Renewals

A renewal offer will be sent to the named insured prior to the policy expiration date according to statutory requirements. The insured must pay all balances due before money received can be applied to the renewal.

Billing, Payments, and Fees

Policy Term

All policies are issued for a 12-month term.

Payments

All payment invoices are billed directly to the insured except the down payment, which must accompany the application. Each invoice will contain a schedule of remaining payments. If the policy is mortgagee billed the bill is sent directly to the mortgagee.

All refunds are mailed directly to the insured.

When an Agent accepts an insured's check, it should be made payable to National General Insurance or the agency. When an insured's check is made payable to National General Insurance, the check should be endorsed to the agency account by signing or stamping the check and indicating For Deposit Only.

Acceptable methods of payment are:

- Down Payment — Visa, American Express, and MasterCard credit card or debit card, Agent sweep, or electronic check.
- Installment Payment — Visa, American Express, and MasterCard credit card or debit card, Agent sweep, or electronic check.
- Electronic Funds Transfer (EFT)/Auto Pay — Visa, American Express, and MasterCard credit card or debit card, Agent sweep, or electronic check.

Electronic Funds Transfer (EFT)/Auto Pay

If the Electronic Funds Transfer (EFT)/Auto Pay payment is available, an insured may complete a National General Insurance Electronic Funds Transfer (EFT)/Auto Pay Authorization Agreement at new business or at renewal and choose to have monthly installments electronically withdrawn from:

- A personal checking or savings account
- Credit card or debit card.

A draft schedule will be provided to the named insured.

If a change occurs on a policy resulting in a premium change, a revised statement will be issued in advance confirming the new amount to be drafted. Agents should notify insureds that National General Insurance will continue drafting based on the current draft schedule until the revised statement is issued.

Requests to change account information or draft dates must be received by National General Insurance at least 10 business days prior to the next draft. Requests to stop Electronic Funds Transfer (EFT)/Auto Pay must be received by National General Insurance at least 3 business days prior to the next draft. For account information changes, a new Electronic Funds Transfer (EFT)/Auto Pay Authorization Agreement is required.

Renewal down payments will automatically be drafted from the named insured's account — **unless** a written request to stop the draft is received.

Fees

Installment

The Installment fee is included in each installment payment and in renewal down payments. The amount of the fee is based on payment method. The Installment fee is not included in new business down payments. This fee is fully earned.

▪ Direct Bill	\$8
▪ Electronic Funds Transfer (EFT)/Auto Pay	
• Checking/Savings	\$0
• Credit Card	\$0
▪ Mortgagee	\$0

Late

A \$25 fee is charged when a payment is not received by the due date and is fully earned.

Non-Sufficient Funds

A \$25 fee is charged on all returned checks that were not honored by the bank and is fully earned.

Inspection

A \$25 fee is charged for home inspections.

Document Retention and Review Requirements

It is important to maintain complete and accurate records on all insurance transactions conducted on behalf of National General Insurance. When you complete a sale or policy endorsement, an Agency ToDo prints a list of documents required to be submitted to National General Insurance or to be retained in your customer file. These documents, whether paper or electronic form, should be retained for at least 5 years from the policy expiration date (or if coverage was never bound, from the date on which the quote was rejected). If state law requires such documents be retained longer than 5 years, comply with the state requirement.

All agency records pertaining to the business of National General Insurance are open for evaluation and inspection during routine reviews. Upon request, you will be required to present specific documentation. Failure to provide the documentation within the allotted time period will result in a failed review.

Uploading Policy Documents

When a Policy ToDo requires documentation be submitted to National General Insurance, uploading documents through the policy system is the fastest and easiest way to ensure we immediately receive the policy documents.

Go Paperless

Enroll your National General Insurance customers in paperless document delivery — adding value for your customers and reducing calls to your office. Paperless document delivery provides customers immediate access to Declarations Pages, Policy Booklets, endorsements, renewals, and other documents.

Note: The customer will continue to receive printed invoices and cancellation notices delivered by the U.S. Postal Service.

The only requirement for a customer to Go Paperless is a valid email address.

Customers choosing to Go Paperless will receive a welcome email advising them to register online for self-service to fully activate the paperless option.

- New Business — Customers must register and accept the Go Paperless option within 5 days of policy issuance; if action is not taken, the system will remove the paperless option and generate all policy documents.
- Mid-term/Renewals — Customers can opt in to Go Paperless at any time via the customer portal.

eSignature

Your new business customers can choose to electronically sign (eSign) the Point of Sale (POS) policy documents that require a signature — eliminating the need for you to obtain a handwritten signature. A valid email address is required to activate the eSign option through a customer self-service account.

Note: The eSign option is only available for new business POS documents requiring a signature; it is not available for signature documents generated by endorsements or renewals.

Customer Self-Service

When the policy is bound, the insured and co-named insured (if applicable) will receive an email advising them to 1) register for a self-service account and 2) review and eSign their documents.

Note: Registration is a required, one-time process for the insured to set up their identification (ID) and password for future access to their policy information.

When an insured does not eSign the documents within 5 days of receiving the email, the New Business Packet will be printed and mailed to them via the U.S. Postal Service using the address on the policy. In addition, the eSign capability will no longer be available, and the insured will need to wet sign and return the signature forms. Failure to submit the requested information to National General Insurance could result in an increase in policy premium or cancellation of the policy.