



Virginia

NBIC UNDERWRITING & SHELTERPRIDE® GUIDELINES



Revision Date: March 1, 2019

COVERAGE LIMITATIONS:

- (HO-3): Coverage A minimum \$125k; agents must refer greater than \$1.6MM; NBIC requires Coverage A at 100% of the replacement cost estimate (unless Special Loss Settlement HO 23 76 is selected)
 - 1-2 family owner-occupied homes
 - Deductible options: Minimum \$1,000 AOP Deductible (higher deductible options available); no mandatory Hurricane Deductible requirements (1%, 2%, and 5% options available)
- (HO-4): Coverage C between \$20k and \$500k
 - Deductible options: \$500, \$1,000, \$2,500, \$5,000
- (HO-6): Coverage A between \$5k and \$500k; Coverage C between \$20k and \$500k
 - Deductible options: \$500, \$1,000, \$2,500, \$5,000
- Scheduled personal property:
 - Eligible classes: Jewelry, Furs, Silverware, Fine Arts, Cameras, Golf Equipment, Musical Instruments, Postage Stamps, Rare Coins
 - Agents must refer items greater than \$50k (maximum limit \$150k)
 - Appraisals (<3 years old) required for every item valued at \$10k and higher
 - Total value of scheduled personal property must be less than 50% of Coverage C (agents can refer up to 80%)
 - All scheduled items with Agreed Value coverage require an appraisal (bill of sale acceptable if item is <\$10k)
 - SPP- Blanket eligible classes: Jewelry, Silverware, Fine Arts (per item limit \$10k; total limit \$35k)

INELIGIBLE APPLICATIONS:

- Home in Flood Zone A or V without active flood insurance policy (unless risk meets NBIC's flood requirement exception criteria)
- Unprotected home (Protection Class 10 or 10W)
- More than two (2) mortgagees
- More than two (2) named insureds (owner occupants)
- Bankruptcy or foreclosure activity within past five (5) years
- Applicant convicted of fraud, bribery, arson, or arson-related crime

- Applicant declined, cancelled, or non-renewed by a previous carrier within the past three (3) years (unless the hazard no longer exists, or the reason is not applicable to NBIC)
- Homes owned by an estate or business
 - *Property owned by a Limited Liability Company (LLC) may be eligible; NBIC's LLC questionnaire and prior underwriter approval is required*
- Risk currently not insured or with lapse in coverage
- Risk where NBIC is the current carrier

INELIGIBLE LOSSES:

- Any open claim
- Any paid liability loss within five (5) years
- More than one (1) paid (\$500 or greater) non-CAT property loss in three (3) years, or more than two (2) paid (\$500 or greater) non-CAT property losses within five (5) years; or
- Non-CAT claims loss history with payments totaling \$25k or more within five (5) years – refer to Company
- More than one (1) scheduled personal property loss or any mysterious disappearance loss

INELIGIBLE RISKS:

- Business, including daycare, on premises; any farming exposure
- Flat Roof – must be <20 years old and meet NBIC's SHELTERPRIDE® guidelines
- In the course of new construction (unless Dwelling Under Construction endorsement is included)
- Undergoing major renovations
 - *Eligible: Minor renovations must be completed within the first 55 days of coverage*
- Unoccupied, vacant, or listed for sale
- New purchase unoccupied for more than 55 days after closing
- On historic registry or in historic district with remodeling/building restrictions
- On piers/pilings and pre-1990 construction or over the water
- Pre-1980 row house construction (unless includes parapet firewalls)

INELIGIBLE RISKS (CONTINUED):

- Log home
- Mobile home, manufactured home, or not on permanent foundation
- No smoke detectors
- Stairwells, decks, or porches without appropriate handrails or railings
- Any structure (including sheds and garages) with plastic or tarp roof covering
- Any structure with asbestos siding
- EIFS siding installed pre-2005; 2005 and later without secondary drainage system
- Any unrepaired damage
- General disrepair, overall poor condition, or poor interior housekeeping
- Any extreme property hazard discovered during the SHELTERPRIDE® appraisal process

INELIGIBLE DOGS/ANIMALS (full-bred or partial):

- Akita, American Bulldog, American Staffordshire Terrier, Bull Terrier, Cane Corso, Chow, Doberman, Mastiff (all types), Olde English Bulldogge, Pit Bull, Presa Canario, Rottweiler, Wolf Hybrid
 - For tenant-occupied units: See “Additional Guidelines For Tenant-Occupied Units”
- ANY dog with a bite history or aggressive tendencies
- More than four (4) dogs, regardless of breed
- Any potentially dangerous animals (horses, farm animals, exotic pets, constrictors, poisonous snakes, etc.)

INELIGIBLE LIABILITY EXPOSURES:

- Attractive nuisances, including but not limited to: archery ranges, half-pipes, skateboard ramps, trampolines
- Any other liability hazard discovered during the SHELTERPRIDE® appraisal process

POOL REQUIREMENTS:

- In-ground pool area must be surrounded by an enclosed fence with a locking/latching gate
- No diving platforms; no slide greater than 5 feet high
- Pool with diving board or diving rock must meet NBIC's SHELTERPRIDE® guidelines
- No indoor pools or indoor hot tubs

SYSTEM/MECHANICAL REQUIREMENTS:

- INELIGIBLE: ANY mechanical system (wiring, electrical, plumbing, etc.) in dangerous, obsolete, or poor condition
- **HEATING:**
 - Must have thermostatically controlled central heat
 - Any space heater must meet NBIC's SHELTERPRIDE® guidelines
 - INELIGIBLE: McDonnell and Miller brand furnace
 - INELIGIBLE: Any wood, pellet, or gas stove (or any other alternative heating source) that is homemade, not installed in accordance with the National Fire Protection Agency (NFPA) standards, or not installed

according to the manufacturer's requirements, or are not professionally cleaned annually

• ELECTRICAL:

- INELIGIBLE: Fuses or less than 100 amp circuit breakers
- INELIGIBLE: Stab-Lok circuit breakers
- INELIGIBLE: Any Challenger, Magnetrip, or Zinsco-branded panel
- INELIGIBLE: Active knob-and-tube or aluminum wiring

• PLUMBING:

- INELIGIBLE: Galvanized plumbing for water pressure lines
- INELIGIBLE: Polybutylene plumbing
- At least one of the following winterization measures must be taken for homes unoccupied for two (2) or more weeks at a time:
 - Water is turned off, or heat maintained at 50 degrees F
 - Automatic water shut-off alarm system installed
 - Winterized by a licensed plumber

• OIL/KEROSENE STORAGE TANKS:

- INELIGIBLE: Any underground storage tank
- Any above ground storage tank (interior or exterior) must be over a full concrete slab

ADDITIONAL GUIDELINES FOR TENANT-OCCUPIED UNITS:

- Homes must be inspected by the owner, property manager, caretaker, or same cleaning person between each tenant/lease agreement
- INELIGIBLE: Homes rented more than 16 weeks per year
- INELIGIBLE: Homes rented to more than four (4) tenants/families per year
- INELIGIBLE: Any tenant-occupied unit with more than four (4) unrelated parties
- INELIGIBLE: Any student rentals
- Weekly rentals may be eligible if all tenants are age 25 or greater, and no dogs are allowed (regardless of breed)
- INELIGIBLE: In addition to the ineligible dog breeds previous listed, any tenant-owned dog of the following breeds (full or partial): Alaskan Malamute, Boxer, Dalmatian, Great Dane, Rhodesian Ridgeback, Saint Bernard, Shepherd (all types), Siberian Husky
- INELIGIBLE: Any rental unit (pre-1978 construction) that is not in compliance with state lead laws
- INELIGIBLE: Any motorized watercraft available for use by tenants

DOES THE APPLICANT UNDERSTAND NBIC'S SHELTERPRIDE® PROCESS AND AGREE TO PROMPTLY COMPLETE THE REQUIRED INTERIOR/EXTERIOR INSPECTION?

Violations of NBIC underwriting guidelines may result in a legal notice of cancellation within the first 90 days of coverage. NBIC may rescind the cancellation notice if, prior to the cancellation effective date, NBIC receives evidence demonstrating that the exposure has been removed or mitigated and the risk fully meets NBIC's underwriting guidelines.

SHELTERPRIDE® guidelines for diving boards and diving rocks, flat roofs, space heaters, stoves, and abandoned or removed underground storage tanks may be found on the myNBIC agency portal.

Narragansett Bay Coastal Property Insurance INFO

May 2020

1. NBIC is a Demotech Rated "A" Carrier
 1. We use approximately thirteen AM Best Rated A- or better carriers to establish a Reinsurance Strategy for wind, hurricane and other catastrophes.
 2. We have a strong claims department. We will be using our vendors until enough business is established to support filling field personnel.
2. NBIC is "admitted" in Virginia
 1. We have approximately \$105 million in surplus to pay day to day claims.
3. NBIC is about \$355 Million in DWP
 1. We are owned by Heritage Insurance in FL with about \$655 Million in DWP. In total, we are a \$1 billion in revenue carrier.
4. Enterprise Footprint for you to review. (SEE BELOW)
 1. NBIC (northeast product and guidelines)
 2. Heritage (southern product with different coastal guidelines)
 3. Zephyr (wind product in Hawaii)
5. Market Share document to reference. (SEE BELOW)
 1. Our state strategies are to capture 3% of market share, mostly on the coastal communities where our product is unique. We have rates for all of Virginia in PC 1-9 exposures.
 2. Notice the large national carriers we compete with for market share.
6. In Virginia
 1. Internet based quoting. Three screens to generate a rate.
 2. Partners will create a relationship with a dedicated Virginia Underwriter- Stephanie Barrows.
 3. Property Products (... NBIC does not offer Auto solutions)
 - i. HO3 available today.
 - ii. Expect HO6 in the coming weeks.
 - iii. DP3 slated to arrive 3rd Quarter 2020.

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January 15, 2020

To Our Agency Partners:

Over the past few weeks Demotech, Inc., our rating agency, announced that several Florida insurance carriers are being reviewed for a potential downgrade from their A rating. An A rating from Demotech indicates a high level of solvency and stability.

Our Heritage Insurance companies strive to maintain A ratings and have a strong track record of solvency and profitability. We want to assure our agents that none of Heritage's insurance companies are currently under review, as they were affirmed based on third quarter 2019 statutory financials. As such, we have confirmed with Demotech that the A FSRs assigned to Heritage P&C, Narragansett Bay P&C, as well as the A' FSR assigned to Zephyr P&C are not under review for a potential downgrade.

Thank you for your partnership and trust in Narragansett Bay Insurance and Heritage Insurance companies.

Sincerely,

Tim Moura
President

Glen Tiziani
Senior Vice President, Sales & Distribution

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Narragansett Bay
Insurance Company

Narragansett Bay Insurance Company MARKET SHARE



2017 Rank	Entity	Market Share (%)			Direct Premiums Written (\$000)			Adjusted Loss Ratio (%)		
		2017	2016	2015	2017	2016	2015	2017	2016	2015
	Market Totals (CT, MA, NJ, NY, RI)	100.00	100.00	100.00	12,239,669	11,981,610	11,710,708	39.03	40.47	62.09
1	Allstate Corp.	9.51	9.73	9.80	1,163,861	1,166,238	1,148,132	31.19	29.30	41.07
2	Liberty Mutual	9.23	9.40	9.57	1,129,648	1,125,930	1,121,124	33.16	36.21	56.10
3	Chubb Ltd.	9.16	9.17	8.84	1,120,563	1,099,198	1,035,328	41.02	49.81	64.65
4	State Farm	8.86	9.20	9.69	1,084,455	1,102,856	1,134,827	47.95	48.26	52.16
5	Travelers Companies Inc.	6.69	6.89	7.16	819,167	825,889	838,185	33.21	34.65	39.59
6	USAA	3.60	3.50	3.34	440,614	418,865	391,076	42.96	44.98	74.09
7	MAPFRE SA	3.46	3.54	3.41	423,006	423,668	399,083	36.45	36.87	99.64
8	National General Holdings Corp	2.81	2.57	2.28	343,649	307,691	267,471	33.50	37.41	41.05
9	Narragansett Bay Insurance Co.	2.59	2.44	2.28	316,465	292,343	267,062	39.11	37.58	52.19
10	Amica Mutual Insurance Co.	2.55	2.44	2.35	311,630	292,240	275,400	44.72	48.83	103.41
11	American International Group	2.45	2.41	2.27	300,178	289,031	265,601	57.28	61.19	72.93
12	Andover Companies	2.34	2.35	2.27	285,989	281,411	265,879	40.35	45.39	101.19
13	MetLife Inc.	2.28	2.35	2.45	278,713	281,209	287,042	42.14	38.51	62.86
14	Nationwide Mutual Group	2.12	2.26	2.38	259,004	270,805	279,039	42.87	40.96	64.38
15	American Family Insurance Grp	2.10	2.00	1.83	257,105	239,923	214,061	47.82	37.39	56.31
16	NJM Insurance	2.09	1.99	1.94	255,594	238,625	226,602	50.96	53.61	59.14
17	NYCM Insurance Group	1.47	1.48	1.49	180,365	177,658	174,296	38.76	30.50	49.65
18	Hanover Insurance Group Inc.	1.42	1.32	1.26	174,153	157,974	147,398	43.98	37.92	57.99
19	Safety Insurance Group Inc.	1.40	1.39	1.33	171,412	166,592	156,057	34.07	30.72	132.93
20	Arbella Insurance	1.30	1.42	1.49	159,615	169,943	175,036	27.69	29.68	120.11
21	Hartford Financial Services	1.19	1.26	1.33	145,428	150,969	155,261	31.36	36.38	46.05
22	United Insurance Holdings	1.15	1.04	0.92	140,236	125,140	108,078	38.47	43.11	60.77
23	PURE	1.07	0.92	0.75	130,799	110,036	88,241	32.43	58.67	104.93
24	Farmers Insurance Group of Cos	1.06	0.98	0.85	130,217	117,010	100,029	37.39	46.75	54.77
25	Preferred Mutual Insurance Co.	1.06	1.08	1.06	129,838	129,270	124,636	48.72	43.34	78.37
26	Plymouth Rock of New Jersey	0.96	1.00	1.05	116,952	119,682	122,707	28.29	27.12	37.45
27	Vermont Mutual Insurance	0.89	0.86	0.81	108,843	103,309	95,121	33.86	37.39	102.98
28	Quincy Mutual	0.64	0.68	0.71	78,638	81,153	83,705	27.73	29.83	117.47
29	Norfolk & Dedham Group	0.62	0.61	0.54	76,433	72,489	63,359	33.22	27.91	111.47
30	Franklin Mutual	0.62	0.63	0.66	75,625	75,960	77,371	40.40	41.12	52.86
31	CSAA Insurance Exchange	0.59	0.54	0.47	72,707	64,266	54,879	45.43	57.35	85.84
32	IAT Insurance	0.57	0.49	0.39	69,521	58,174	45,320	40.40	21.87	30.30
33	Kingstone Insurance Co.	0.55	0.46	0.41	67,583	54,920	47,613	35.94	31.42	37.84
34	Assurant Inc.	0.54	0.50	0.46	66,578	59,771	54,119	31.49	36.02	40.78
35	Plymouth Rock Co.	0.49	0.45	0.43	60,570	54,063	50,128	27.86	36.40	91.16
36	Main Street America	0.44	0.41	0.43	53,892	49,498	49,857	37.90	36.35	76.45
37	New London County Mutl Ins Co.	0.42	0.45	0.49	51,282	53,530	56,951	31.79	32.77	82.20
38	Selective Insurance Group Inc.	0.41	0.43	0.47	49,772	51,591	55,080	31.46	35.63	46.27
39	Kemper Corp.	0.40	0.45	0.52	49,447	54,283	60,329	30.79	19.92	46.15
40	WT Holdings Inc.	0.40	0.41	0.42	48,846	49,534	49,708	41.76	35.44	44.20
41	Philadelphia Contributionship	0.36	0.39	0.43	43,747	46,424	50,046	43.00	57.93	61.40
42	QBE Insurance Group Ltd.	0.35	0.37	0.37	43,345	44,317	43,120	32.61	41.82	51.50
43	Providence Mutual Fire Ins Co.	0.35	0.38	0.40	43,089	45,590	46,730	42.77	44.65	87.83
44	Erie Insurance	0.33	0.33	0.33	40,847	40,056	38,349	64.26	38.10	68.39
45	Sterling Insurance Co.	0.33	0.33	0.32	39,964	39,289	37,842	34.35	39.95	52.87
46	Cumberland Insurance Group	0.32	0.34	0.37	39,739	41,152	42,798	39.34	47.45	54.30
47	Utica National Insurance Group	0.32	0.32	0.33	38,909	38,178	38,609	34.02	37.67	51.62
48	Utica First Insurance Co.	0.31	0.29	0.28	37,886	35,030	32,342	47.64	36.26	51.63
49	US Coastal	0.29	0.23	0.10	35,170	27,992	12,189	42.33	32.76	62.07
50	Progressive	0.28	0.22	0.22	34,390	26,381	25,738	37.75	33.87	53.54
51	Security Mutual Insurance Co.	0.25	0.26	0.26	31,085	30,726	30,438	38.37	54.85	51.50
52	Union Mutual Companies	0.25	0.27	0.30	30,249	32,932	34,928	45.26	33.46	76.35
53	Ameriprise Financial Inc.	0.24	0.24	0.25	29,389	29,218	29,765	54.16	53.84	101.62
54	Ocean Harbor Insurance	0.22	0.19	0.15	27,071	23,051	17,975	38.31	26.52	32.50
55	Barnstable	0.22	0.22	0.22	26,798	26,256	25,778	17.90	18.82	27.04
56	Cincinnati Financial Corp.	0.21	0.11	0.04	26,287	12,768	4,458	45.63	53.27	59.42
57	Farmers Mutl Fire Ins Co Salem	0.21	0.21	0.21	25,850	25,459	24,871	40.28	53.55	53.45
58	American National Insurance	0.18	0.19	0.20	21,644	22,627	23,833	49.96	34.16	63.12
59	Mercury General Corp.	0.17	0.19	0.21	20,505	22,772	24,141	38.14	35.83	36.35
60	Erie & Niagara Insurance Assn.	0.16	0.16	0.15	19,965	18,624	17,708	42.67	37.08	58.04