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FAQ

New Homeowners Product

The New Homeowners Product (NHP) represents a leap forward in terms of pricing sophistication and policy features. Some key benefits include:

- Greater price accuracy that helps ensure profitability.
- A broader Underwriting appetite.
- Simple, straight-forward by-peril rating factors.
- Availability of a \$10,000 deductible option.
- Revised contract language to reflect updated client needs
- New and expanded discounts including:
 - Claims Free Discounts By Peril (New).
 - Loyalty Discount (New).
 - Newer Home Discount (Expanded from previous “New Home Discount”).
 - Multi-Home Discount (New).
 - Fire Protection Discount.
 - Burglary Protection Discount.
 - Package Discounts (Deeper discounts will now be available).
 - Park Discount (Mobile Home only – excluding UT).

What is your overall goal and focus for the New Homeowners Product?

Our goal is to open up more marketing opportunities by providing a multivariate product that allows us to broaden the spectrum of eligible Homeowners business. Our focus is to offer a desirable policy that fosters increased customer loyalty, helps to ensure profitability, promotes ease of doing business for our agency partners and affords a foundation for future improvements.

What factors go into your rating engine? How do they differ from other companies?

There are multiple rating factors that go into our rating engine which will greatly enhance price segmentation by providing a more accurate rate for a specific risk. We differ from other companies because there is no tier assignment or scorecard with this product. The particular characteristics we utilize to obtain a rate may vary from other carriers.

How important is a client's credit score to your model? Why use it at all?

The credit score is merely one factor among many that is used to develop a premium. Credit score continues to be a predictor of loss and using credit information makes pricing more accurate, resulting in many policyholders paying less for their Homeowners insurance.

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Do you surcharge for small claims as well as large ones?

Our rating model includes all claims where indemnity is paid within the last five years. This will provide us with the best data for future modeling and improve price accuracy for those customers least likely to suffer a loss. We do utilize a by-peril rating model to create a simpler structure with more sophisticated pricing factors.

Are there changes in your overall underwriting eligibility for new home business?

The ability to rate for the risk has allowed us to open our stance on values in protection classes 9 and 10, as well as permitting an HO-5 in those same areas. Your underwriting team will continue to review all new business. They play an integral role in the success of our Homeowners line.

Why did you change the deductible options?

Washington was the only state that had not already seen its minimum deductible changed to \$500. The majority of Washington HO-3 and HO-5 business received in the last year was submitted with a \$500 deductible. In response to a request from our agency force, we have added a new deductible option of \$10,000.

What kind of discounts does your new home product have?

We are offering many new discounts including Loyalty, Multi-Home and Claims Free in addition to the Package Discount, Newer Home Discount, Fire Protection and Burglary Protection Discounts and the Mobile Home Park Discount.

Are there new territory changes and will this new product allow fringe rating for homes?

Many additional territories will allow us to better segment the pricing and make sure your insureds are paying rates that more accurately reflect their exposures. We do not allow fringe rating. The class developed by the applicable rating source in your state (WSRB, ISRB or ISO) will continue to be the class assigned.

Will all our Homeowner policies convert to your new product and are there some policies I will need to rate and process myself?

All conversions will be handled internally. Once a policy has renewed into the new plan, should you wish to update rating information, you can merely pull the policy into IBQ and amend as needed. Enumclaw Property & Casualty business will be renewed in our Mutual of Enumclaw Insurance Company.

Will rate increases be capped?

Any rate impact will not be capped. This allows those insureds who benefit from this product to see the benefit at their first renewal. This also means that insureds who have less favorable attributes, will receive that impact at the first renewal as well. This action will enable us to continue to provide favorable pricing where warranted.

What are the real benefits of this new product to your policyholders?

This product allows us to rate on an individual policyholder basis. The use of a variety of rating factors means your clients are receiving the best rates warranted by their individual risk characteristics. We also revised our contract language to reflect more current needs and updated requirements for our policyholders.

Will there be any changes to IBQ to accommodate this new product?

Your IBQ process will remain the same. There will be a few additional questions to be answered but quoting, upload and endorsement processing will not change.

How will your CLUE validation process work? What happens with a “no hit” or 0 fico score?

You will be responsible for ordering the CLUE and entering that information into the available fields in IBQ. Our underwriting staff may validate once the business is received to confirm the activity. Use of information such as the prior address and SSN will greatly increase the success of receiving a score and CLUE report. If “no-score” or “no-hit” is received for an insured, a neutral factor will be applied.

Are you upgrading or changing your cost estimator? Does this new model mean less attention will be paid to ITV?

There are no changes to the cost estimator. It is still very important that dwellings and other structures are insured to value. Extended Replacement Cost is now available in all states. Blanket Protection at time of loss is still included in the HO5.

What commission levels will this new home product pay? Are there any policy fees or changes in billing options?

The commission structure remains the same. There will be no policy fees nor will the billing options change.