

**ACFIC - HOMEOWNERS**

---

**GUIDE TO UNDERWRITING**

The Sales Agent is the "on-the-spot underwriter" and shares a responsibility for quality risk selection with the Home Office Underwriter. The Underwriter does not know the applicant and must depend upon the Sales Agent's judgment, combined with the information provided on the application, to obtain a complete picture of the "insured" and the "property" to be insured. Human carelessness and indifference is a form of moral hazard not generally revealed by an application, so responsible Sales Agents must do their best to control loss ratios by evaluating prospects just as critically as property.

In underwriting homeowners and renters insurance, the attitude of the insured is one of the most important factors. It is imperative that the insured display pride of ownership, which is evident by the upkeep of the dwelling and premises.

Additional considerations in underwriting the risk are construction type, replacement cost, age of the dwelling, property insurance to value, fire protection class and loss exposure.

The use of deductibles to control claim frequency and severity is also an important factor.

Our homeowners program is designed to accommodate one secondary dwelling in addition to the primary dwelling.

