



B U L L E T I N

December 22, 2022

Bulletin No. 21-2022

To: NISS Member Companies

Re: Homeowners Policy Form and Exception Code Additions

To be consistent with industry standards, NISS is introducing the following new Policy Form Code:

- HO-14 (Form 4 – Tenants Comprehensive Form) – 9

NISS will also be introducing the following three new Exception codes:

- Incidental Low Power Recreational Motor Vehicle Liability - 22
- Limited Cannabis Property Coverage – 23
- Cannabis Liability Coverage – 24

For all three of these endorsements, only the endorsement should be exception coded and the remainder of the policy should be reported with whatever Exception Code applies.

We are updating Sections A and D of the General Instructions to include the new Policy Form and the three new Exception Codes respectively.

These changes are effective on all new and renewal policies effective on or after January 1, 2023. The attached pages set forth the changes as they will appear in the 1st Quarter 2023 revisions to the NISS Statistical Plan for Homeowners, Mobilehome and Dwelling Policies.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey R. Patterson", written over a horizontal line.

Jeffrey R. Patterson
Interim CEO

Attachments

IV - GENERAL INSTRUCTIONS - PREMIUM AND LOSSES

A. AMOUNT OF INSURANCE - PREMIUMS AND LOSSES

Amount of Insurance (limits of liability) shall be shown on both premium and loss records except as provided in paragraphs C, D, and E of Part IV.

Homeowners:

For all Homeowners Policy Forms other than Form 4 and 14 (Tenants) and Form 6 (Condominiums), record the limit of liability (coverage amount on the principal dwelling) shown in Section I-A-Dwelling of the policy.

For Policy Form 4 and 14 (Tenants) and Policy Form 6 (Condominiums) record the amount of insurance on contents.

When a policy is endorsed at inception to provide for automatic increases in the limits of liability during the policy term, record the average total amount of insurance in force during the policy term, i.e. the original policy amount plus the average increase resulting from the attaching at inception of the Inflation Guard Endorsement or a similar endorsement.

Mobilehome:

For Mobilehome Policies, code the Amount of Insurance.

Comprehensive Dwelling Policies and other Dwelling Policies:

For all forms, except seasonal dwelling and dwelling policies insuring more than three dwellings, amounts of insurance on each building and each contents are to be recorded separately.

For the Comprehensive Dwelling Policy Broad Form on Contents and other Dwelling Contents Policies record the amount of insurance on contents.

For California Supplemental Broad or Special Form Policies, the amount of insurance to be recorded is the total amount of insurance for the item as shown on the face of the (Supplemental) Dwelling Broad or Special Form Policy, without regard to the coverage provided by the underlying FAIR Plan Policy.

When additional coverage such as outbuildings, TV antennas or trees and shrubs is added, the premiums should be added to the premium for the principal dwelling and the amount of insurance increased to reflect the increased liability. Rental value premiums should be added to premiums of the principal dwelling, but the amount of insurance should not be increased.

B. DEDUCTIBLE CODING

Each premium and loss entry must be identified with deductible amount codes shown except as provided in paragraphs C, D, and E of Part IV. Deductible coding is not required for watercraft and snowmobile endorsements.

C. EARTHQUAKE PREMIUMS AND LOSSES

Earthquake premiums and losses will be identified by State, Term and Line of Business only.

D. EXCEPTION CODES FOR HOMEOWNERS AND DWELLING POLICIES

Policies with the following endorsements require that only the endorsement be exception coded. The remainder of the policy should be reported with whatever Exception Code applies. Those marked with * are applicable only for Homeowners Policies.

- 1. Water Back-up Damage Endorsement (Exception Code 01)
- 2. Mechanical Breakdown Coverage Endorsement (Exception Code 14)
- 3. Sinkhole Collapse Coverage (Exception Code 15)
- 4. Home-sharing Coverage Endorsement* (Exception Code 16)
- 5. Motorized Golf Cart - Physical Damage Coverage* (Exception Code 17)
- 6. Special Coverage - Spoilage of Perishable Stock* (Exception Code 18)
- 7. Identity Fraud Expense Coverage* (Exception Code 19)
- 8. Green Upgrades Coverage Endorsement* (Exception Code 20)
- 9. Service/Utility Line Coverage Endorsement (Exception Code 21) |
- 10. Incidental Low Power Recreational Motor Vehicle Liability Coverage* (Exception Code 22) |
- 11. Limited Cannabis Property Coverage* (Exception Code 23) |
- 12. Cannabis Liability Coverage* (Exception Code 24) |

All other policies subject to exception coding must have all premium and loss records exception coded for both the endorsement and the policy. If reporting the endorsement premium as a separate record, exposure should be zero.

All exception coded records should be reported to NISS in full detail.

For Exception coding applicable to the Hawaii Hurricane Exclusion and Coverage Option, see item G. below.

E. MORE THAN ONE DWELLING UNDER A SINGLE POLICY

Homeowners:

When a policy insures more than one dwelling, each dwelling shall be coded separately and the classification information shall be determined separately.

Comprehensive Dwelling Policies and other Dwelling Policies:

Premiums for dwelling policies insuring more than three dwellings may be identified only by State, Line of Business, Policy Form and Term. In addition to coding required for premiums, losses are to be identified by cause of loss and number of claims.

When a dwelling policy insures two or three dwellings, the premium for each dwelling and its contents shall be recorded separately and the classification information shall be determined separately for each item.

F. STAT PLAN I.D.

A code "P" must be entered in position 9 of the record format to indicate the new format is being reported.

SUBLINE OF BUSINESS CODES

Description	CODE
Other Than FAIR Plans or Pools	
Homeowners 1,2,3,4,5,6, or 8 form	02
Homeowners 1,2,3,4,5, or 6 form with coverage providing replacement cost for Coverage C (Personal Property)	03
Homeowners 7 Form (North Carolina only)	
-Homeowners Enhancement Program	03
Other Homeowners Policy Programs not compatible with bureau type programs as coded above. This code to be used only after specific approval from NISS and must be reported in accordance with special instructions provided by NISS.	04
FAIR Plans or Pools	
Homeowners - Surcharged	07
Homeowners - Unsurcharged	08

POLICY FORM CODES

Description	CODE
HO-1 (Form 1)	1
HO-2 (Form 2 - Broad Form)	2
HO-3 (Form 3 - Special Form)	3
HO-4 (Form 4 - Tenants Form)	4
HO-14 (Form 4 - Tenants Comprehensive Form)	9
HO-5 (Form 5 - Comprehensive Form)	5
HO-6 (Form 6 - Unit-owners Form)	6
HO-7 (Homeowners Enhancement Coverage Form - North Carolina only)	7
HO-8 (Form 8 - Modified Coverage Form)	8

EXCEPTION CODES

DESCRIPTION	CODE
Water Back-Up Damage Endorsement.....	01*
Policy subject to Multiple Company Insurance Endorsements.....	02#
North Carolina Absolute Wind or Hail Exclusion Endorsement (Territory codes 11, 12, 13, 14, 15, and 16 only).....	03#
California Wrap-Around Policy.....	04#
Michigan Homeowners Optional Loss Settlement Endorsement.....	04#
New York Homeowners Policy with Windstorm Wrap-Around (NYPIUA) Endorsement.....	04#
Homeowners Home Business Insurance Coverage Endorsement.....	05#
North Carolina Consent to Rate Risks.....	08
Hawaii Hurricane Exclusion and Coverage Option Underlying policy	
Policies without Hurricane Exclusion Endorsement.....	10#
Policies with Hurricane Exclusion Endorsement.....	11#
Optional Hurricane Coverage	
Hurricane Coverage Endorsement.....	12#
Assisted Living Care Endorsement.....	13#
Mechanical Breakdown Coverage Endorsement.....	14*
Sinkhole Collapse Coverage.....	15*
Home-sharing Coverage Endorsement.....	16*
Motorized Golf Cart - Physical Damage Coverage.....	17*
Special Coverage - Spoilage of Perishable Stock.....	18*
Identity Fraud Expense Coverage.....	19*
Green Upgrades Coverage Endorsement (Policy Forms 2, 3, 5, and 6 only)	20*
Service/Utility Line Coverage Endorsement (Policy Forms 2, 3, 5, and 8 only)	21*
Incidental Low Power Recreational Motor Vehicle Liability Coverage.....	22*
Limited Cannabis Property Coverage.....	23*
Cannabis Liability Coverage.....	24*
None of the above.....	00

* Policies with this endorsement require that only the endorsement be exception coded.

Policies with these endorsements must have all premium and loss records exception coded for both the endorsement and the policy. If reporting the endorsement premium as a separate record, exposure should be zero.

NOTE: Exception Codes 01, 10-12, and 14-24 are the only valid exception codes in Hawaii.

ZIP CODE

Report the five-digit postal ZIP code applicable to the location of the insured.