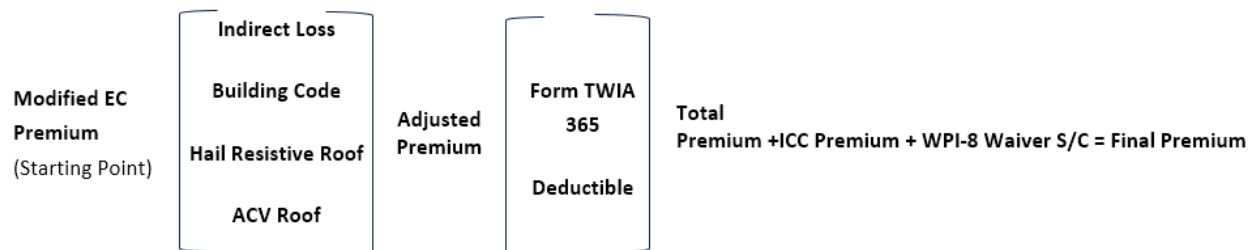




B. Dwelling Premium Calculation Information

Premiums must be calculated separately for all items. Multiple adjustments may apply in the calculation of the premium. It is important that these adjustments be applied in the proper sequence to ensure that the premium is correct. The calculation diagram shown below and the following guidelines are provided to assist you in your calculation.



CALCULATION STEPS:

Step #1. Calculate the Modified Extended Coverage Premium (hereinafter referred to as the Modified EC Premium) based on a 1% (\$100 minimum) deductible as follows:

- a) Multiply the base premium from [Dwelling/Farm & Ranch Dwelling – Building & Personal Property](#) by the appropriate territory multiplier from [Territorial Multipliers](#) and round to three decimal places, and then
- b) Multiply the result of step 1a by a flex factor of 1.3 and round to three decimal places.

Step #2. Calculate the Indirect Loss premium by applying the Indirect Loss factor from [Indirect Loss Endorsement and Percentages](#) of this manual to the premium calculated in step #1.

Step #3. Where applicable, apply the following adjustments independently to the Modified EC premium calculated in step #1:

- [Building Code Credit](#)
- [Hail Resistant Roof Credit](#)
- [Actual Cash Value Roof Credit](#)

Then add or subtract the results to the Indirect Loss premium calculated in step #2. This will result in the adjusted premium.

Step #4. Where applicable, apply the following adjustments independently to the Adjusted Premium calculated in step #3. Then add the results to the adjusted premium calculated in step #3 to equal the Total premium. If the coverages listed below do not apply, skip step #4. If this is done, the Total premium will be the same as the adjusted premium.

- [Replacement Cost Endorsement Form TWIA 365 surcharge](#)



- [Deductible Adjustment for a flat \\$100 or \\$250 flat](#)
- [Optional Large Deductible Percentage Chart](#)

Step #5. If coinsurance is being waived, apply the [First Loss Scale Formula](#) to the premium calculated in step #4 prior to rounding.

Step #6. If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step #4 (or #5) times the appropriate ICC rate, then round to the nearest whole dollar. Refer to Residential [Increased Cost of Construction](#). If ICC is not being added, skip to step #8.

Step #7. [If TWIA Form 419 Other Structures on the Described Location Increased Limits \(OS Increased Limits\) is being added, calculate the OS Increased Limits premium by multiplying the selected limit times the appropriate rate, then round to the nearest whole dollar. Refer to Residential Other Structures on the Described Location Increased Limits. If Form 419 is not being added, skip to step #8.](#)

Step #8. Add the rounded ICC premium (step #6) [and rounded OS Increased Limits premium \(step #7\), as applicable,](#) to the premium determined in step #4 (or step #5 if coinsurance has been waived) to arrive at the Final premium, [which is the](#)

~~Step #8. The premium from step 4, 5, or 7 to equal the total premium due TWIA.~~

Step #9. If the policy is being issued under the WPI-8 Waiver program, multiply the Final premium from step ~~4, 5, or 7~~ [#8](#) times 15% to calculate the WPI-8 Waiver surcharge, then round to the nearest whole dollar.

Step #10. Add the WPI-8 Waiver surcharge calculated in step #9 to the ~~total-Final~~ [premium](#) from step ~~s~~ [4, 5, or](#)

~~7~~ [#8](#) to arrive at the total [premium amount](#) due TWIA.