

HOMEOWNERS DESCRIPTION

HOMEOWNERS POLICY COVERAGE RELATIONSHIPS

<u>Coverage</u>	<u>Homeowner</u>	<u>HO-4 (Tenant – HO)</u> <u>HO-6 (Condominium)</u>
A – Dwelling	Amount of Ins.	N/A
B – Other Structures	10% of Coverage A	N/A
C – Personal Property	50% of Coverage A	Amount of Ins.
D – Loss of Use (ALE)	20% of Coverage A	20% of Cov. C (HO4) 20% of Cov. C (HO6)
W – Personal Liability	\$100,000	\$100,000
Y- Medical Payments	\$ 1,000	\$ 1,000

DESCRIPTION OF COVERAGES

Section I – Property Coverages

Coverage A – Dwellings

Covers Dwelling on insured location, including attached structures.

Coverage B – Other Structures

Provides coverage for other structures on the residence premises set apart from the dwelling by a clear space, this does not include structures used for business, farming or rented others.

Coverage C – Personal Property

Covers personal property owned or used by an Insured. The limit of liability for insured personal property while temporarily away from the insured location is 10% of coverage, but not less than \$1,000.

Students occupying an apartment, rooming house or dormitory room are considered to be temporarily away from the insured location. Coverage for personal property is limited to 10% of the personal property coverage of the parents' policy. (This applies if the student is still a member of the parents' household.)

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If the named insured moves the personal property from one principal residence within the state to another, coverage is provided automatically at the new location for 30 days.

Special Limits of Liability

\$200	Money, Bank Notes, Bullion, Gold, Silver, Etc.
\$1,000	Securities, Accounts, Deeds, Passport, Stamps, Etc.
\$1,000	Watercraft including their trailers, furnishings, equipment and outboard motors.
\$1,000	On Trailers not used with watercraft.
\$1,000	On Grave markers
\$1,000	For loss by theft of Jewelry, Precious and Semi-Precious Stones, Furs, Etc.
\$2,000	For loss by theft of Firearms.
\$2,500	For loss by theft of Silverware, Silver & Gold Plated Ware, Etc.
\$2,500	On Business Property on the Insured Location.
\$250	On Business Property off the Insured Location.
\$500	Recreational Motor Vehicles.
\$500	Dismounted Camper Bodies.
\$200	Detached Tires.
\$500	Outdoor Radio and Television Equipment (including Satellite Dish).

Coverage D – Additional Living Expense/Loss of Rent

Covers reasonable increase in living expense necessary to maintain the Insured's normal standard of living while the Insured lives elsewhere, until the residence location is repaired or replaced or the Insured permanently relocates.

STANDARD COVERAGE DESCRIPTIONS – SECTION II

PERSONAL LIABILITY

SEE LIABILITY SECTION OF MANUAL

OLT LIABILITY

SEE LIABILITY SECTION OF MANUAL

HOMEOWNERS DESCRIPTION

PERILS INSURED AGAINST

Basic Perils and Broad Form Perils covers property described in Coverage A, B, C and D caused by a peril listed below unless loss is excluded in Section 1 – Exclusions.

Group 1 – Basic Perils

- a. Fire or Lightning
- b. Removal
- c. Windstorm or Hail
- d. Explosion
- e. Riot or civil Commotion
- f. Aircraft
- g. Vehicles
- h. Vandalism and Malicious Mischief
- i. Smoke

Group 2 – Broad Form Perils

- a. Theft
- b. Sudden and Accidental Tearing Apart of Heating Systems
- c. Freezing of Plumbing, Heating and Air Conditioning Systems.
- d. Falling Objects
- e. Weight of Ice, Snow or Sleet
- f. Collapse
- g. Breakage of Glass
- h. Sudden and Accidental Damage from Artificially Generated Electrical Current

Group 3 – Other Perils

Provides additional risks of physical loss coverage (except exclusions) to Dwellings, Unscheduled Personal Property, Additional Living Expense/Loss of Rent.

HOMEOWNERS DESCRIPTION

ELIGIBLE LIST

The insured may be:

- Owner/Occupant of a 1-2 family dwelling.
- Tenant of a dwelling, farm dwelling, or mobile home.

CONSIDERATION LIST – Submit Non-Bound

The following risks may not be bound by the agent. Submit to Company for Underwriting approval.

- Premises with questionable unsafe characteristics.
- Premises with visible trash and debris that can be removed or cleaned up.
- Unfenced or inadequately fenced swimming pools.
- Vacant dwellings with future occupancy contemplated.
- Open pits or stone quarries on the insured locations.
- Horse stables and training operations
- Three losses in five years.
- Homes and/or outbuildings being remodeled or repaired or with unrepaired damage.
- Homes without continuous masonry foundation.
- Exposed Styrene or Urethane foam insulation.
- Vacant dwellings.

PROHIBITED LIST – DO NOT SUBMIT

The following risks are **PROHIBITED**:

- Commercial risks.
- Home Day Care Operations with 4 or more children.
- Rental dwellings containing more than 4 family units.
- Insured's with vicious animals.
- Homes with wood burning/corn burning appliance.
- Home without interior plumbing.
- More than 4 rental units for any one insured.
- Breeding, raising and selling of dogs on the premises.
- Insured's with known claim frequency (more than 3 losses in 5 years)
- Homes with more than 2 mortgagees.
- Homes with more than 2 roomers or boarders.
- Property under bankruptcy proceedings.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

SPECIAL SELECT HOME PROTECTOR

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1) Broad Form Perils (2) Other Perils (3)	Guaranteed Replacement Cost (3)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$80,000	\$150,000

Eligibility Requirements:

- a. \$500 Deductible Minimum
- b. Dwelling and detached structures of superior character and excellent repair. Premises clean, free from weeds and trash.
- c. 25 years old or newer.
- d. No more than one homeowner loss within the last three years.
- e. Owner-occupied, one family permanent residence.
- f. Insured to 100% of the replacement cost estimator according to current building cost guides for residential buildings, inflation protection will apply.
- g. 100 amp electrical service (circuit breaker system).
- h. An approved central heating unit, vented to an approved chimney, no wood burning furnace.
- i. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- j. Smoke detector on each floor including basement.
- k. No wood burning appliance other than a masonry or prefabricated fireplace without a heating insert.
- l. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- m. Modular home not permitted.
- n. Must have a two lane road within 100 yards of dwelling for fire truck accessibility.
- o. Cost estimator and photographs (all sides) submitted with application.
- p. Premium submitted with application.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

SPECIAL HOME PROTECTOR

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1) Broad Form Perils (2) Other Perils (3)	Guaranteed Replacement Cost (3) 80% Replacement Cost (2)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$60,000	\$150,000

Eligibility Requirements:

- a. Dwelling and detached structures of superior character and in excellent repair. Premises clean, free from weeds, and trash.
- b. 35 years or newer, with an approved roof, an approved plumbing and heating system and a modern electrical system with circuit breakers and 100 amp service, all updated in the past 25 years and meeting local building codes and building contractor inspection.
- c. Owner/occupied, one family permanent residence.
- d. Can be insured for 80% of replacement cost or 100% for guaranteed replacement cost, inflation protection will apply.
- e. 100 amp electrical service, circuit breaker system.
- f. An approved central heating unit, vented to an approved chimney, no wood burning furnace.
- g. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- h. Smoke detector on bedroom floors.
- i. No wood burning appliance other than a masonry or prefabricated fireplace without a heating insert.
- j. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- k. Modular home not permitted.
- l. Readily accessible to a fire truck.
- m. Cost estimator and photographs (all sides) submitted with application.
- n. Premium submitted with application.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

CLASS A OWNER-OCCUPIED – Home Protector

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1)	80% Replacement Cost (2)
Broad Form Perils (2)	Repair/Replace Replacement (2)
Other Perils (3)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$50,000	\$150,000

Eligibility Requirements:

- a. Dwelling of good construction and in excellent repair. Premises clean, free from weeds, and trash.
- b. Insured for at least 80% of Replacement cost. When a Replacement Settlement Clause is used, 60% of Replacement cost. Inflation Protector will apply.
- c. Dwellings constructed within the last 40 years are not eligible for Repair/Replacement Loss Settlement.
- d. Insured for at least 60% for Actual Cash Value.
- e. Owner/occupied, one or two family permanent residence.
- f. Residence with an approved roof, an approved plumbing and heating system and a modern electrical system with circuit breakers and 100 amp service, all updated in past 25 years and meeting local building codes and building contractor inspection.
- g. 100 amp electrical service, circuit breaker system.
- h. Modular home are acceptable.
- i. An approved central heating unit, vented to an approved chimney, no wooburning furnace.
- j. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- k. No woodburner permitted.
- l. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- m. Cost estimator and photographs (all sides) submitted with application.
- n. Premium submitted with application.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

CLASS B OWNER-OCCUPIED – Home Protector

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1)	80% Replacement Cost (2)
Broad Form Perils (2)	Repair/Replace Replacement (2)
Other Perils (3)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$35,000	\$75,000

Eligibility Requirements:

- a. Dwelling of good construction and in good repair. Premises clean, free from weeds, and trash.
- b. Insured for at least 80% of Replacement cost. When a Replacement Settlement Clause is used, 60% of Replacement cost. Inflation Protector will apply.
- c. Insured for a minimum of 45% for Actual Cash Value.
- d. Other Perils are available on an Actual Cash Value dwelling.
- e. Owner/occupied, one or two family permanent residence.
- f. Approved electrical wiring of at least 100 amp service.
- g. An approved central heating unit, vented to an approved chimney.
- h. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- i. Continuous masonry or concrete foundation under all exterior walls, porches excepted.
- j. No woodburner permitted.
- k. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- l. Cost estimator and photographs (all sides) submitted with application.
- m. Premium submitted with application.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

CLASS C OWNER-OCCUPIED – Home Protector

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1) Broad Form Perils (2)	Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>	<u>Maximum Binding Authority</u>
\$20,000	\$50,000

Eligibility Requirements:

- a. Fully utilized and in a good state of repair. Premises clean, free from weeds, and trash.
- b. Insured for a minimum of 35% for Actual Cash Value.
- c. Owner-occupied, one or two family permanent residence.
- d. Approved heating system, vented to an approved chimney.
- e. Approved electrical wiring of at least 60 amp service.
- f. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- g. Continuous masonry or concrete foundation under all exterior walls, porches excepted.
- h. No woodburner permitted
- i. Available in fire protection class 1 through 9, must be within 3 miles of responding fire department for a town fire classification.
- j. Cost estimator and photographs (all sides) submitted with application.
- k. Premium submitted with application.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

TENANT – PERSONAL PROPERTY

<u>Perils Available</u>		<u>Loss Settlement Types Available</u>
Basic Perils (1)		Repair/Replace Replacement (2)
Broad Form Perils (2)		Actual Cash Value (1)
<u>Minimum Amount of Insurance</u>		<u>Maximum Binding Authority</u>
1 Person	\$10,000	\$40,000
2 People	\$12,000	\$60,000

Eligibility Requirements:

- The Tenant provides coverage for tenants of apartments, condominiums and rental dwellings.
- Contents must be in structures that meet minim eligibility requirements for the structure to be insured.
- No woodburning stoves or fireplaces with heating inserts allowed.
- Replacement cost on personal property is not available when coverage desired is below \$20,000.
- Premium submitted with application.

CONDOMINIUM UNIT OWNERS PROGRAM

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils (1)	Repair/Replace Replacement (2)
Broad Form Perils (2)	Actual Cash Value (1)

Minimum Amounts of Insurance/Binding Authority:

<u>Policy Type</u>	<u>Minimum Amount of Insurance</u>	<u>Maximum Binding</u>
HO 6	\$10,000	\$75,000

Eligibility Requirements:

- Must be in structures which would meet eligibility requirements for Special Select or Special Home Protector.

FARMETTE

FARMETTE ENDORSEMENT

With the popularity of the homeowner purchasing small acreages in the country, including parcels of land with farm buildings, it is important that you, as agent, have the opportunity to remain competitive and yet maintain the proper Company underwriting approach. Many rural homeowners are raising livestock for their own consumption, planting large vegetable gardens and own a few pieces of farm equipment which are not used in a farming operation. The ownership of horses is also popular. As a result of the above, it is important that you, as agent, be aware of the following underwriting practice that will be fair to both the insured and the Company. Dwellings that are not used in connection with a farming operation may qualify for a home protector policy. **Any outbuilding originally constructed for farming purposes must be insured as a farm outbuilding using applicable rates from the farm section of the Manual.** Since maintenance and utility value of these outbuildings tend to be limited or very low, caution should be given to either declining coverage or accepting only at a Class C or D rate. **Blanket farm personal property is not acceptable. If insured is involved in a farming operation, coverage must be on a farm policy.**

With attachment of the Farmette Endorsement to the Home Protector Policy, Section 1 property coverage is extended to: Farm outbuildings, scheduled farm personal property, private power and light poles. The attachment of this endorsement means that on a limited bases, coverage can be included on a home protector policy for certain risks that previously were insured especially on a farm policy.

OPTIONAL COVERAGES: SECTION 1 – PROPERTY

COVERAGE B – AUXILIARY PRIVATE STRUCTURES

When insurance is written on a specific structure on the residence premises:

- For increased limits – rate the amount of increased insurance per \$100.

COVERAGE C – PERSONAL PROPERTY

Increased limit:

- When the limit of liability for Coverage C is increased, the additional premium per \$100 shall be used.

Reduction in Limit: Not allowed.

Increased Special Limits of Liability:

- Jewelry, Watches, and Furs – The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$3,000 but not exceeding \$1,000 for any one article.
- Money and Securities – The special limit of \$200 on money may be increased to a maximum of \$1,000. The special limit on securities may be increased to a maximum of \$2,000.
- Silverware, Gold ware, and Pewter ware – The special limit of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500.
- Firearms – The special limit of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 increments of \$100.

Replacement Cost – Loss Settlement 4

- Personal Property may be extended to include replacement cost coverage. Rate the amount of insurance, Coverage C, using the premium per \$100. Antiques, fine arts, statuary and other similar articles are not eligible for the coverage.

COVERAGE D – LOSS OF USE

Increased limit:

- The amount of insurance for Loss of Use may be increased. Use the rate per \$100.

OPTIONAL COVERAGES: SECTION 1 – PROPERTY

REFRIGERATED PRODUCTS

The Home Protector, Tenant and Condominium programs automatically provide \$500 coverage for Refrigerated Products. An additional amount may be purchased using the Refrigerated products rate.

THEFT OF CONSTRUCTION MATERIALS

Dwellings under construction do not have coverage for theft of construction materials. The \$1,000 or \$2,000 of coverage may be purchased for periods of six months. Coverage is subject to the deductible, and the premium is fully earned.

CONDOMINIUM UNIT OWNERS

Unit Owners additions and alterations

- The HO6 automatically provides \$1,000 of Coverage A Dwelling. This limit may be increased. Use the Unit Owners Additional and Alterations rate.
- If special coverage (other risks of physical loss) is desired for Coverage A, use the unit owner's special coverage rate. Charge for each \$1,000 of Coverage A.

UNIT OWNERS OTHER STRUCTURES

- Use the Coverage B – Other Structures rule.

LOSS ASSESSMENT COVERAGE

- The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding earthquake, for assessments relating to the residence premises. The limit may be increased for an additional premium.

LOSS ASSESSMENT – EARTHQUAKE

- The policy may be extended to coverage loss assessment for the peril of earthquake provided Loss Assessment Coverage and Earthquake are also covered.

BUILDING ADDITIONS AND ALTERATIONS – HO4

The HO4 provides 10% of the Coverage C limit for Additions and Alterations. This limit may be increased. Use the Building Additions and Alteration – HO4 rate.