

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

## Filing at a Glance

Company: American Modern Select Insurance Company

Product Name: 085 AR HO-10

TOI: 04.0 Homeowners

Sub-TOI: 04.0005 Other Homeowners

Filing Type: Form

SERFF Tr Num: AMMH-125312531 State: Arkansas

SERFF Status: Closed

Co Tr Num: 20070601-09

Co Status:

Author: Krista Mahaffey

Date Submitted: 10/03/2007

State Tr Num: AR-PC-07-026311

State Status:

Reviewer(s): Becky Harrington,  
Betty Montesi, Brittany Yielding

Disposition Date: 11/07/2007

Disposition Status: Approved

Effective Date (New): 12/01/2007

Effective Date (Renewal):

12/01/2007

Effective Date Requested (New): 12/01/2007

Effective Date Requested (Renewal): 12/01/2007

## General Information

Project Name: AR HO-10 Form

Project Number: 20070601-09

Reference Organization:

Reference Title:

Filing Status Changed: 11/07/2007

State Status Changed: 10/04/2007

Corresponding Filing Tracking Number:

Filing Description:

On behalf of American Modern Home Insurance Company I am introducing for your review, our Specialty Homeowner HO-10 program. We would like to implement this program with an effective date of 12/01/2007. The corresponding rate/rule filing, project number 20071003-01, is also being submitted for your review.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

## Company and Contact

### Filing Contact Information

Krista Mahaffey, Filing Analyst

7000 Midland Blvd

kmahaffey@amig.com

(800) 759-9008 [Phone]

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

Amelia, OH 45102 (513) 947-4695[FAX]

**Filing Company Information**

American Modern Select Insurance Company CoCode: 38652 State of Domicile: Ohio  
7000 Midland Blvd. Group Code: 127 Company Type: Property/Casualty  
Amelia, OH 45102 Group Name: State ID Number:  
(513) 759-9008 ext. [Phone] FEIN Number: 38-2342976  
-----

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: Form Filing  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Modern Select Insurance Company	\$0.00	10/03/2007	

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
 Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
 Company Tracking Number: 20070601-09  
 TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
 Product Name: 085 AR HO-10  
 Project Name/Number: AR HO-10 Form/20070601-09

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	11/07/2007	11/07/2007
Approved	Becky Harrington	11/07/2007	11/07/2007

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/24/2007	10/24/2007	Krista Mahaffey	11/05/2007	11/05/2007
Pending Industry Response	Becky Harrington	10/05/2007	10/05/2007	Krista Mahaffey	10/22/2007	10/22/2007

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Filing Fee Check	Note To Reviewer	Krista Mahaffey	10/08/2007	10/08/2007

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*              *085 AR HO-10*  
*Project Name/Number:*      *AR HO-10 Form/20070601-09*

## **Disposition**

Disposition Date: 11/07/2007

Effective Date (New): 12/01/2007

Effective Date (Renewal): 12/01/2007

Status: Approved

Comment: re-opened to correct status of dec page on schedule list to not approved. Revised dec attached in response, not on schedule.

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
 Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
 Company Tracking Number: 20070601-09  
 TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
 Product Name: 085 AR HO-10  
 Project Name/Number: AR HO-10 Form/20070601-09

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Form Summary Page	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Response Cover Letter	Approved	Yes
Supporting Document	Cover Letter - Response 2	Approved	Yes
Form	Declaration Page		Yes
Form	Additional Residence Rented to Others	Approved	Yes
Form	Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit		Yes
Form	Homeowners 10 Policy Replacement Cost Coverage - Cov C	Approved	Yes
Form	Homeowners 10 Policy	Approved	Yes
Form	Hobby Farming Coverage	Approved	Yes
Form	Animal Liability Exclusion	Approved	Yes
Form	Homeowners 10 Policy Other Structures Exclusion	Approved	Yes
Form	Homeowners Roof Exclusion Endorsement		Yes
Form	Special Provisions - Arkansas	Approved	Yes
Form	Homeowners 10 Policy Mold Liability Exclusion	Approved	Yes
Form	Homeowners 10 Policy Lead Contamination Exclusion	Approved	Yes
Form	Homeowners 10 Policy Swimming Pool Slide and Diving Board Exclusion	Approved	Yes
Form	Homeowners 10 Policy Enhanced Coverage - Arkansas	Approved	Yes
Form	Homeowners 10 Policy - Arkansas	Approved	Yes

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

## Disposition

Disposition Date: 11/07/2007

Effective Date (New): 12/01/2007

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
 Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
 Company Tracking Number: 20070601-09  
 TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
 Product Name: 085 AR HO-10  
 Project Name/Number: AR HO-10 Form/20070601-09

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Form Summary Page	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Response Cover Letter	Approved	Yes
Supporting Document	Cover Letter - Response 2	Approved	Yes
Form	Declaration Page		Yes
Form	Additional Residence Rented to Others	Approved	Yes
Form	Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit		Yes
Form	Homeowners 10 Policy Replacement Cost Coverage - Cov C	Approved	Yes
Form	Homeowners 10 Policy	Approved	Yes
Form	Hobby Farming Coverage	Approved	Yes
Form	Animal Liability Exclusion	Approved	Yes
Form	Homeowners 10 Policy Other Structures Exclusion	Approved	Yes
Form	Homeowners Roof Exclusion Endorsement		Yes
Form	Special Provisions - Arkansas	Approved	Yes
Form	Homeowners 10 Policy Mold Liability Exclusion	Approved	Yes
Form	Homeowners 10 Policy Lead Contamination Exclusion	Approved	Yes
Form	Homeowners 10 Policy Swimming Pool Slide and Diving Board Exclusion	Approved	Yes
Form	Homeowners 10 Policy Enhanced Coverage - Arkansas	Approved	Yes
Form	Homeowners 10 Policy - Arkansas	Approved	Yes

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 10/24/2007  
Submitted Date 10/24/2007

Respond By Date

Dear Krista Mahaffey,

This will acknowledge receipt of the captioned filing.

Objection 1

- Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit (Form)

Comment:

Please revise the water damage limitation language to remove wind-driven rain, snow or sleet. We will allow the limitation if it applies only to the sudden and accidental discharge of water...(b) of the limitation.

Objection 2

No Objections

Comment: Has policy form ST000 been previously approved in AR? If not, please attach it under the form schedule for formal review.

Objection 3

No Objections

Comment:

Please move the revised endorsements to the form schedule tab.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 11/05/2007  
Submitted Date 11/05/2007

Dear Becky Harrington,

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
 Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
 Company Tracking Number: 20070601-09  
 TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
 Product Name: 085 AR HO-10  
 Project Name/Number: AR HO-10 Form/20070601-09

**Comments:**

**Response 1**

Comments: Please the attached letter, form and copy of the policy. Thank you.

**Related Objection 1**

Applies To:

- Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit (Form)

Comment:

Please revise the water damage limitation language to remove wind-driven rain, snow or sleet. We will allow the limitation if it applies only to the sudden and accidental discharge of water...(b) of the limitation.

**Related Objection 2**

Comment:

Has policy form ST000 been previously approved in AR? If not, please attach it under the form schedule for formal review.

**Related Objection 3**

Comment:

Please move the revised endorsements to the form schedule tab.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Cover Letter - Response 2

Comment:

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Homeowners 10 Policy Enhanced Coverage - Arkansas	ST303	10/07	Endorsement/Amendment/Conditions	New		0	ST303 (10-07) REVISED.pdf
Homeowners 10 Policy	ST000	03/06	Policy/Coverage Form	New		0	ST000.pdf

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*              *085 AR HO-10*  
*Project Name/Number:*      *AR HO-10 Form/20070601-09*  
**- Arkansas**

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*                      *085 AR HO-10*  
*Project Name/Number:*              *AR HO-10 Form/20070601-09*

No Rate/Rule Schedule items changed.

Sincerely,  
Krista Mahaffey

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/05/2007

Submitted Date 10/05/2007

Respond By Date

Dear Krista Mahaffey,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Declaration Page (Form)

Comment: The company listed at the top of the page is not consistent with the company listed in this filing.

### Objection 2

- Homeowners 10 Policy (Form)

Comment: The attached form is a RC endorsement on the dwelling. Provide the dwelling coverage policy form/insuring agreement.

### Objection 3

- Homeowners Roof Exclusion Endorsement (Form)

Comment: Wind/hail may not be excluded from the policy. A roof exclusion may be provided for all perils until the roof is replaced by the insured.

### Objection 4

- Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit (Form)

Comment: The water damage limitation does not appear to comply with Bulletin 10-2002. Molds/Fungi that are the result of any covered cause of loss must be covered up to the applicable dwelling policy limit. Remediation may be excluded.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

## Response Letter

Response Letter Status Submitted to State

Response Letter Date 10/22/2007

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*              *085 AR HO-10*  
*Project Name/Number:*      *AR HO-10 Form/20070601-09*  
  
**Submitted Date**                                      **10/22/2007**

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

Dear Becky Harrington,

**Comments:**

**Response 1**

Comments: On behalf of American Modern Select Insurance Company, I am submitting a response to your questions regarding our recently filed HO-10 policy. Please see the attached document and attachments. Please let me know if you have further questions.

**Related Objection 1**

Applies To:

- Declaration Page (Form)

Comment:

The company listed at the top of the page is not consistent with the company listed in this filing.

**Related Objection 2**

Applies To:

- Homeowners 10 Policy (Form)

Comment:

The attached form is a RC endorsement on the dwelling. Provide the dwelling coverage policy form/insuring agreement.

**Related Objection 3**

Applies To:

- Homeowners Roof Exclusion Endorsement (Form)

Comment:

Wind/hail may not be excluded from the policy. A roof exclusion may be provided for all perils until the roof is replaced by the insured.

**Related Objection 4**

Applies To:

- Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit (Form)

Comment:

The water damage limitation does not appear to comply with Bulletin 10-2002. Molds/Fungi that are the result of any covered cause of loss must be covered up to the applicable dwelling policy limit. Remediation may be excluded.

**Changed Items:**

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response Cover Letter

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Krista Mahaffey

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*              *085 AR HO-10*  
*Project Name/Number:*      *AR HO-10 Form/20070601-09*

**Note To Reviewer**

**Created By:**

Krista Mahaffey on 10/08/2007 02:29 PM

**Subject:**

Filing Fee Check

**Comments:**

Hello,

I have sent the fee for this filing to the appropriate address; check number 85003640 in the amount of \$50.

I will also be addressing the concerns I received from you as soon as possible.

Thank You.

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
 Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
 Company Tracking Number: 20070601-09  
 TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
 Product Name: 085 AR HO-10  
 Project Name/Number: AR HO-10 Form/20070601-09

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
	Declaration Page	0110-4269	05/92	Declaration New s/Schedule		0.00	DEC PG HO.doc
Approved	Additional Residence Rented to Others	72935	02/06	Endorsement/Amendment/Conditions		0.00	72935.pdf
	Homeowners 10 Policy Enhanced Coverage Endorsement - \$10,000 aggregate limit	ST300	05/06	Endorsement/Amendment/Conditions		0.00	ST300.pdf
Approved	Homeowners 10 Policy Replacement Cost Coverage - Cov C	ST700	01/04	Endorsement/Amendment/Conditions		0.00	ST700.pdf
Approved	Homeowners 10 Policy	STR00	01/04	Endorsement/Amendment/Conditions		0.00	STR00.pdf
Approved	Hobby Farming Coverage	STY00	06/06	Endorsement/Amendment/Conditions		0.00	STY00.pdf
Approved	Animal Liability Exclusion	ST100	05/01	Endorsement/Amendment/Conditions		0.00	ST100.pdf
Approved	Homeowners 10 Policy Other Structures Exclusion	ST900	06/05	Endorsement/Amendment/Conditions		0.00	ST900pdf.pdf

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
 Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
 Company Tracking Number: 20070601-09  
 TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
 Product Name: 085 AR HO-10  
 Project Name/Number: AR HO-10 Form/20070601-09

	Homeowners	72931	10/06	Endorseme New nt/Amendm ent/Condi ons	0.00	72931.pdf
Approved	Special Provisions - Arkansas	STA03	06/07	Endorseme New nt/Amendm ent/Condi ons	0.00	STA03- 200706.pdf
Approved	Homeowners 10 Policy Mold Liability Exclusion	ST500	06/05	Endorseme New nt/Amendm ent/Condi ons	0.00	ST500.pdf
Approved	Homeowners 10 Policy Lead Contamination Exclusion	STL00	06/01	Endorseme New nt/Amendm ent/Condi ons	0.00	STL00.pdf
Approved	Homeowners 10 Policy Swimming Pool Slide and Diving Board Exclusion	STS00	08/06	Endorseme New nt/Amendm ent/Condi ons	0.00	STS00.pdf
Approved	Homeowners 10 Policy Enhanced Coverage - Arkansas	ST303	10/07	Endorseme New nt/Amendm ent/Condi ons	0.00	ST303 (10- 07) REVISED.pd f
Approved	Homeowners 10 Policy - Arkansas	ST000	03/06	Policy/CoveNew rage Form	0.00	ST000.pdf




**AMERICAN MODERN HOME INSURANCE COMPANY**
**HOMEOWNERS POLICY DECLARATIONS**
**POLICY NUMBER: 077 000 000 0000**
**NAMED INSURED:**  
 INSURED NAME  
 INSURED ADDRESS  
 CITY ST ZIP

**AGENT 012345:**  
 AGENT NAME  
 AGENT ADDRESS  
 CITY ST ZIP

**MAIL TO:**  
 INSURED  
 INSURED ADDRESS  
 CITY ST ZIP

**BROKER 123456:**  
 BROKER NAME  
 BROKER ADDRESS  
 CITY ST ZIP  
 PHONE NUMBER

**POLICY PERIOD:**  
**FROM:** JULY 1, 2006 **TO:** JULY 1, 2007  
 12:01 A.M. STANDARD TIME  
 AT INSURED PROPERTY ADDRESS

**INSURED PROPERTY:**  
 PHYSICAL LOCATION  
 CITY ST ZIP

**LIENHOLDER 1 ACCT:**  
 LIENHOLDER NAME  
 LIENHOLDER ADDRESS  
 LIENHOLDER ADDRESS2  
 CITY ST ZIP

UNIT	PR	CLS	TERR	CONSTRUCT	TYPE	NO. FAMILIES	NO. STORIES	TYPE USE
1.	05		70	FRAME		ONE FAMILY	ONE STORY	OWNER OCCUPIED

THIS POLICY PROVIDES ONLY THE FOLLOWING COVERAGES FOR THIS UNIT:

SECTION	ITEM	COVERAGE	LIMIT	PREMIUM
1	DWELLING	SPECIAL FORM HO-3 ED. 4/91	\$50,000	\$601.00
1	PERS PROP	SPECIAL FORM HO-3 ED. 4/91	\$25,000	
1	OTHER STRU	SPECIAL FORM HO-3 ED. 4/91	\$2,500	
1		LOSS OF USE	\$10,000	
1	DEDUCTIBLE	SUBJECT TO ALL PERILS	\$500	
		FIRE DEPARTMENT SERVICE	\$500	
2	PERS LIAB	PERSONAL LIABILITY-PER OCCURRENC	\$100,000	
2	PERS LIAB	MEDICAL PAYMENTS-PER PERSON	\$1,000	
2	PERS LIAB	DAMAGE TO PROPERTY OF OTHER	\$500	
MINIMUM WRITTEN AND/OR EARNED MAY APPLY			TOTAL PREMIUM	\$601.00

"LIMITS FOR SPECIFIC OTHER STRUCTURES APPEAR ON APPLICATION"

**(CONTINUED ON REVERSE SIDE)**
**ENDORSEMENT FORMS APPLICABLE TO THIS POLICY:**

 S3002 04/91; 71908 04/98; 73207 04/98; SB300 11/00; S3A00 08/00;  
 71755 06/92; 73381 01/00;

**ADDITIONAL RESIDENCE RENTED TO OTHERS  
1, 2, 3 OR 4 Families**

**SECTION II**

For an additional premium, under Coverage E--Personal Liability and Coverage F--Medical Payments to Others, the premises listed below are included in the definition of **insured location**.

With respect to the premises listed below, Exclusion **1.b.(2)** under Section II Exclusions---Coverage E--Personal Liability and Coverage F--Medical Payments to Others, does not apply.

**Location**

**Number of Families**

1  2  3  4

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY ENHANCED COVERAGE

### DEFINITIONS

The following definitions are added:

**"Mold"** means any mold, fungi, organic pathogen, bacteria, virus or their spores, scent or byproducts of any type or nature that cause, threaten to cause, or are alleged to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause, threaten to cause, or are alleged to cause harm of any type to any living organism. This includes, but is not limited to, any type of **mold** that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot, mildew and others).

**"Remediation"** means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose or in any way respond to or assess the effects of mold.

### SECTION I - PROPERTY COVERAGES

The following is added:

#### WATER DAMAGE LIMITATION

1. The most we will pay for any covered **water damage loss**, including ensuing loss, damage, or **remediation** costs caused by **mold**, is 10% of the **COVERAGE A - Dwelling** limit shown on the Declarations Page, subject to an annual aggregate limit of \$10,000. This is not additional insurance, and does not increase the limit of liability for **COVERAGE A - Dwelling**, **COVERAGE B - Other Structures**, **COVERAGE C - Personal Property**, or **COVERAGE D - Loss of Use**.
2. For the purposes of this WATER DAMAGE LIMITATION, **"water damage loss"** means any covered loss payable under **COVERAGE A, COVERAGE B, COVERAGE C, COVERAGE D**, and/or **ADDITIONAL COVERAGES** resulting from:
  - a. wind-driven rain, snow or sleet; or
  - b. sudden and accidental discharge of water or steam from within a plumbing, heating or air conditioning system or household appliance.

#### ADDITIONAL COVERAGES

The following Item 7. is added:

##### **Collapse**

- a. With respect to this **ADDITIONAL COVERAGE**:
  - (1) collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
  - (2) a building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) a part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

- (4) a building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
  - (1) **SECTION I - PERILS INSURED AGAINST;**
  - (2) decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
  - (3) insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
  - (4) weight of contents, equipment, animals or people;
  - (5) weight of rain that collects on a roof; or
  - (6) use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through b.(6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

The following Item 8. is added:

**Glass Or Safety Glazing Material**

- a. We cover:
  - (1) the breakage of glass or safety glazing material that is part of a covered building, storm door or storm window; and
  - (2) the direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material that is part of a building, storm door or storm window.
- b. This coverage does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

**SECTION I - PERILS INSURED AGAINST**

The following perils are added:

**11. Falling Objects**

This peril does not include loss to the inside of a building or property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

## 12. Weight Of Ice, Snow Or Sleet

- a. This peril means weight of ice, snow or sleet that causes damage to a building or property contained in a building.
- b. This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

## 13. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay to tear out and replace any part of the building, or other structure, on the **residence premises**, but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the **residence premises**.
- b. This peril does not include loss:
  - (1) on the **residence premises**, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
  - (2) to the system or appliance from which the water or steam escaped;
  - (3) caused by or resulting from freezing, including water freezing in or escaping from any portion of the plumbing, heating or air conditioning systems located within or beneath foundations, patios, swimming pools or other cement type encasements or coverings;
  - (4) on the **residence premises** caused by accidental discharge or overflow that occurs off the **residence premises**;
  - (5) caused by **mold**, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure;
  - (6) caused by continuous or repeated seepage or leakage of water;
  - (7) caused by the presence or condensation of humidity, moisture or vapor unless caused by a covered loss.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. **SECTION I - EXCLUSIONS**, Exclusion 3., **Water Damage**, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

## 14. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

- a. This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
- b. This peril does not include loss caused by or resulting from freezing.

15. **Sudden And Accidental Damage From Artificially Generated Electrical Current**

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. **Freezing Of A Plumbing, Heating, Air Conditioning Or Automatic Fire Protective Sprinkler System Or Of A Household Appliance:**

This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliance of water.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **HOMEOWNERS 10 POLICY REPLACEMENT COST COVERAGE - PERSONAL PROPERTY**

### **SECTION I - CONDITIONS**

Item 3, **Loss Settlement**, is replaced by the following with respect to **COVERAGE C - Personal Property**:

- a. Covered property losses are settled at replacement cost at the time of loss.
- b. Replacement Cost coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy:
  - (1) Jewelry;
  - (2) Furs and garments trimmed with fur or consisting principally of fur;
  - (3) Cameras, projection machines, films and related articles of equipment;
  - (4) Musical equipment and related articles of equipment;
  - (5) Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
  - (6) Golfer's equipment, meaning golf clubs, golf clothing and golf equipment.
- c. Personal Property Replacement Cost coverage will not apply to other classes of property separately described and specifically insured.
- d. **PROPERTY NOT COVERED**

Property listed below is not eligible for replacement cost settlement. Any loss will be settled at **actual cash value** at the time of loss but not more than the amount required to repair or replace.

- (1) Antiques, fine arts, paintings and similar articles of rarity or antiquity that cannot be replaced.
  - (2) Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
  - (3) Articles not maintained in good or workable condition.
  - (4) Articles that are outdated or obsolete and are stored or not being used.
- e. The following loss settlement procedure applies to all property insured under this endorsement:
    - (1) We will pay no more than the least of the following amounts:
      - (a) replacement cost at the time of loss without deduction for depreciation;

- (b) the full cost of repair at the time of loss;
  - (c) the limit of liability that applies to **COVERAGE C**, if applicable;
  - (d) any applicable special limits of liability stated in this policy; or
  - (e) for loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.
- (2) When the replacement cost for the entire loss under this endorsement is more than \$500, we will pay no more than the **actual cash value** for the loss or damage until the actual repair or replacement is complete.
- (3) You may make a claim for loss on an **actual cash value** basis and then make claim within 180 days after the loss for any additional liability in accordance with this endorsement.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY REPLACEMENT COST COVERAGE - BUILDINGS

### SECTION I - CONDITIONS

Item 3, **Loss Settlement**, is replaced by the following:

Covered property losses are settled as follows:

a. Property of the following type:

- (1) personal property;
- (2) awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- (3) structures that are not buildings;

at **actual cash value** at the time of loss but not more than the amount required to repair or replace.

b. Buildings under **COVERAGE A** or **B** at replacement cost without deduction for depreciation, subject to the following:

- (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
  - (a) the limit of liability under this policy that applies to the building;
  - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
  - (c) the necessary amount actually spent to repair or replace the damaged building.
- (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
  - (a) the **actual cash value** of that part of the building damaged; or
  - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
- (a) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
  - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
  - (c) underground flues, pipes, wiring and drains.
- (4) We will pay no more than the **actual cash value** of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of b.(1) and b.(2) above.
- However, if the cost to repair or replace the damage is both less than:
- (a) 5% of the amount of insurance in this policy on the building; and
  - (b) \$2500;
- we will settle the loss according to the provisions of b.(1) and b.(2) above whether or not actual repair or replacement is complete.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an **actual cash value** basis. You may then make claim within 180 days after loss for any additional liability according to the provisions of this Condition 3., **Loss Settlement**.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY HOBBY FARMING COVERAGE

The following Definition is added:

**"Hobby farming"** means private, not-for-profit farming operations at the residence premises when:

- a. your principal trade, profession or occupation is not farming;
- b. you earn less than \$5,000 per year from farming operations;
- c. there are no employees employed in farming operations;
- d. you do not rent or lease any part of the **residence premises**, including land, to others;
- e. livestock animals are for your personal use or consumption, or for a 4-H type project;
- f. your farm equipment is limited to light machinery intended for private, non-commercial use only; and
- g. your farming operations are not engaged in any criminal activities.

With respect to the provisions of this endorsement only, the following Definition is changed:

**"Business"** means any full-time trade, profession, occupation, service, or other permanent activity engaged in for compensation of an **insured**.

### SECTION I - PROPERTY COVERAGES

Under **COVERAGE B – Other Structures**, the following is added:

We do not cover other structures:

- c. That are manufactured homes.

Under **COVERAGE C – Personal Property**, the following is added:

We also cover your personal property while it is used in your **hobby farming** activities, but our limit of liability shall not be more than 10% of the limit of liability for **COVERAGE C- Personal Property**.

Under **Property Not Covered**, Item 3., **motor vehicles**, is replaced by the following:

**motor vehicles** or all other motorized land conveyances. This includes:

- a. equipment and accessories; or
- b. any device or instrument for transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of a **motor vehicle** including:
  - (1) accessories or antennas; or

- (2) tapes, wires, records, discs or other media for use with any such device or instrument; or
- (3) any radar or electronic detection device while in or upon a **motor vehicle**.

We do cover vehicle or conveyances not subject to motor vehicle registration that are:

- a. used to service an **insured's residence premises**;
- b. designed for assisting the handicapped; or
- c. used to service the hobby farm at the **insured's residence premises**.

## **SECTION II - LIABILITY COVERAGES**

Under **COVERAGE E – Personal Liability**, Paragraph 1. is replaced by the following:

pay up to our limit of liability for damages for which the **insured** is legally liable. However, we will pay no more than \$10,000 for any claim made or suit brought against any **insured** for **bodily injury** or **property damage** caused or contributed to by any animal owned by, or in the care, custody or control of, any **insured**. This limit is the maximum that we will pay for any one occurrence. In addition, we will pay no more than \$10,000 for any claim made or suit brought against any **insured** for **bodily injury** contributed to, caused by or arising out of any activity while using, moving, loading or unloading any hobby farm equipment or **motor vehicle** used solely for the purpose of maintenance or use on your hobby farm.

**COVERAGE E – Personal Liability and COVERAGE F – Medical Payments To Others** applies to **bodily injury** and **property damage** arising out of **hobby farming** operations at the **residence premises**.

## **SECTION II – EXCLUSIONS**

Exclusion 1.k. does not apply to **hobby farming** operations at the **residence premises**, except with respect to:

- a. **bodily injury** resulting from the use or consumption of products sold by an **insured**.
- b. **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

All other provisions of this policy apply.

## **HOMEOWNERS - 10 POLICY ANIMAL LIABILITY EXCLUSION**

### **SECTION II - LIABILITY COVERAGES**

#### **COVERAGE E - Personal Liability**

For the premium credit allowed, we agree with you that this policy will provide no coverage for any claim made or suit brought against any "insured" for "bodily injury" or "property damage" caused by or contributed to by any animal owned by, or in the care or custody of, any "insured".

If any provision of this policy or any endorsement attached to this policy is in conflict with this exclusion, the provisions of this endorsement will govern.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY OTHER STRUCTURES EXCLUSIONS

For the premium credit shown in the Declarations, the following changes are made to your policy:

### SECTION I - PROPERTY COVERAGES

**COVERAGE B - Other Structures** is deleted.

### SECTION I - PERILS INSURED AGAINST

Reference to **COVERAGE B** is deleted.

### SECTION I - EXCLUSIONS

The following Exclusion is added:

We do not cover any structures on the **residence premises** other than the dwelling described under **COVERAGE A - Dwelling**.

### SECTION II - EXCLUSIONS

The following Exclusion is added:

**COVERAGE E - Personal Liability** and **COVERAGE F - Medical Payments to Others** do not apply to **bodily injury** or **property damage** arising out of the ownership, occupancy, maintenance or use of any structure on the **residence premises** other than the dwelling described under **COVERAGE A - Dwelling**.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS ROOF EXCLUSION ENDORSEMENT

The **Perils Insured Against, Section 1**, item **2. Windstorm or hail.**, is revised to read as follows:

### **2. Windstorm or hail.**

This peril does not include loss:

- a. to the inside of a building or the property contained in a building caused by rain, snow, hail, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a wall and the rain, snow, hail, sleet, sand or dust enters through this opening; or
- b. to the inside of a building, the property contained in a building or to the roof itself caused by rain, snow, hail, sleet, sand or dust whether or not the **roof** opening is caused by the force of wind or hail and the rain, snow, hail, sleet, sand or dust enters through this opening; or
- c. to watercraft and their trailers, furnishings, equipment, and outboard motors even when in a fully enclosed building.

It is expressly understood and agreed between American Modern Insurance Group, Inc., the insured and other interested parties, that perils insured under this policy are limited to the extent that **NO COVERAGE** is provided for **WIND and/or HAIL DAMAGE** to the **Roof**, nor to interior damage resulting from, or occasioned by the **Roof**.

If during the term of this contract the Roof is replaced by new roofing, and written notice of same is made to American Modern Insurance Group, Inc., this endorsement is null and void.

All other terms and conditions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY SPECIAL PROVISIONS – ARKANSAS

### SECTION I – CONDITIONS

Item 5., **Appraisal**, is replaced by the following:

- a. If you and we fail to agree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will choose a competent and impartial appraiser within 20 days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located.
- b. The appraisers will separately state the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party.
- c. Each party will:
  - (1) pay its own appraiser; and
  - (2) bear the other expenses of the appraisal and umpire equally.

Item 7., **Suit Against Us**, is replaced by the following:

No action can be brought against us unless there has been full compliance with all of the terms under **SECTION I** of this policy and the action is started within five years after the date of loss.

Under Item 11., **Mortgage Clause**, paragraph d. is replaced by the following:

If we decide to cancel this policy, the mortgagee will be notified:

- (1) at least 10 days before the date cancellation takes effect if:
  - (a) we cancel for nonpayment of premium; or
  - (b) the policy has been in effect for less than 60 days and is not a renewal with us; or
- (2) at least 20 days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least 30 days before the date nonrenewal takes effect.

## SECTIONS I AND II – CONDITIONS

Under Item 5., **Cancellation**, the following is added:

- e. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
  - (1) Upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
  - (2) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
  - (3) If there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
  - (4) For nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
  - (5) In the event of a material violation of a material provision of this policy.

This can be done by letting you know at least 20 days before the date cancellation takes effect.

Item 8., **Subrogation**, is replaced by the following:

- a. An **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. However, we will be entitled to a recovery only after an **insured** has been fully compensated for the loss sustained.
- b. If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.
- c. Subrogation does not apply under **SECTION II** to **Medical Payments to Others** or **Damage to Property of Others**.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY MOLD LIABILITY EXCLUSION

### DEFINITIONS

The following Definition is added:

**"Mold"** means any mold, fungi, organic pathogen, bacteria, virus or their spores, scent, or by-products of any type or nature that cause, threaten to cause or are alleged to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause, threaten to cause, or are alleged to cause harm of any type to any living organism. This includes, but is not limited to, any type of "mold" that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot, mildew and others).

**"Remediation"** means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose of, or in any way respond to or assess the effects of, **mold**.

### SECTION II - EXCLUSIONS

The following Exclusion 1.o. is added as follows:

Arising from or associated in any way with the actual or threatened occurrence of, growth of, release of, transmission of, migration of, dispersal of, decontamination of, **remediation** of or exposure to **mold**. This includes, but is not limited to **bodily injury** or **property damage**:

- (1) arising from or associated in any way with actual or threatened **mold** at or upon any real property, personal property, product, or any other tangible property of any **insured** or any other person(s) or organization(s) located anywhere in the world;
- (2) arising from or associated in any way with any actual or threatened inhalation of, exposure to, absorption or ingestion of, or physical contact with **mold**;
- (3) arising from or associated in any way with any testing, monitoring, clean-up, **remediation**, treatment, removal, or neutralization of **mold**, including any associated costs or expenses; or
- (4) arising from or associated in any way with any error or omission in supervision, instructions, recommendations, notices, warnings or advice, given or which should have been given in connection with **mold**.

All other provisions of this policy apply.

# HOMEOWNERS - 10 POLICY LEAD CONTAMINATION EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SECTION II - EXCLUSIONS

The following exclusion is added.

**COVERAGE E - PERSONAL LIABILITY** and **COVERAGE F - MEDICAL PAYMENTS TO OTHERS** do not apply to:

- a. **Bodily injury** arising from the ingestion, inhalation, or absorption of lead in any form.
- b. **Property damage** arising from any form of lead contamination.
- c. Any loss, cost, or expense arising from any request, demand or order that any **insured** or others:
  - (1) Test for,
  - (2) Monitor,
  - (3) Clean up,
  - (4) Remove,
  - (5) Contain,
  - (6) Treat,
  - (7) Detoxify or neutralize, or
  - (8) In any way respond to, or assess the effects of,  
lead.
- d. Any loss, cost, or expense arising from any claim or suit by or on behalf of a governmental authority for damages because of:
  - (1) Testing for,
  - (2) Monitoring,
  - (3) Cleaning up,
  - (4) Removing,
  - (5) Containing,
  - (6) Treating,
  - (7) Detoxifying or neutralizing, or
  - (8) In any way responding to, or assessing the effects of,  
lead.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY SWIMMING POOL SLIDE AND DIVING BOARD EXCLUSION

### SECTION II - EXCLUSIONS

The following Exclusion 1.o. is added:

Arising out of the ownership, maintenance or use of any swimming pool when such **bodily injury** or **property damage** results from the use of:

- (1) one or more slides; and/or
- (2) one or more diving boards attached to the swimming pool.

This Exclusion applies whether or not such swimming pool is located on the "residence premises".

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY ENHANCED COVERAGE - ARKANSAS

### DEFINITIONS

The following definition are added:

**"Mold"** means any mold, fungi, organic pathogen, bacteria, virus or their spores, scent or byproducts of any type or nature that cause, threaten to cause, or are alleged to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause, threaten to cause, or are alleged to cause harm of any type to any living organism. This includes, but is not limited to, any type of mold that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot, mildew and others).

**"Remediation"** means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose or in any way respond to or assess the effects of **mold**.

### SECTION I - PROPERTY COVERAGES

The following is added:

#### WATER DAMAGE LIMITATION

1. The most we will pay for any covered **water damage loss**, including ensuing loss, damage, or **remediation** costs is 10% of the **COVERAGE A - Dwelling** limit shown on the Declarations Page, subject to an annual aggregate limit of \$10,000. This is not additional insurance, and does not increase the limit of liability for **COVERAGE A - Dwelling, COVERAGE B - Other Structures, COVERAGE C - Personal Property, or COVERAGE D - Loss of Use**.
2. For the purposes of this WATER DAMAGE LIMITATION, **"water damage loss"** means any covered loss payable under **COVERAGE A, COVERAGE B, COVERAGE C, COVERAGE D,** and/or **ADDITIONAL COVERAGES** resulting from sudden and accidental discharge of water or steam from within a plumbing, heating or air conditioning system or household appliance.

#### ADDITIONAL COVERAGES

The following Item 7. is added:

##### **Collapse**

a. With respect to this **ADDITIONAL COVERAGE**:

- (1) collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) a building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) a part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

- (4) a building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
  - (1) **SECTION I - PERILS INSURED AGAINST;**
  - (2) decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
  - (3) insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
  - (4) weight of contents, equipment, animals or people;
  - (5) weight of rain that collects on a roof; or
  - (6) use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through b.(6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

The following Item 8. is added:

**Glass Or Safety Glazing Material**

- a. We cover:
  - (1) the breakage of glass or safety glazing material that is part of a covered building, storm door or storm window; and
  - (2) the direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material that is part of a building, storm door or storm window.
- b. This coverage does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

**SECTION I - PERILS INSURED AGAINST**

The following perils are added:

**11. Falling Objects**

This peril does not include loss to the inside of a building or property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

## 12. Weight Of Ice, Snow Or Sleet

- a. This peril means weight of ice, snow or sleet that causes damage to a building or property contained in a building.
- b. This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

## 13. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay to tear out and replace any part of the building, or other structure, on the **residence premises**, but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the **residence premises**.
- b. This peril does not include loss:
  - (1) on the **residence premises**, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
  - (2) to the system or appliance from which the water or steam escaped;
  - (3) caused by or resulting from freezing, including water freezing in or escaping from any portion of the plumbing, heating or air conditioning systems located within or beneath foundations, patios, swimming pools or other cement type encasements or coverings;
  - (4) on the **residence premises** caused by accidental discharge or overflow that occurs off the **residence premises**;
  - (5) caused by **mold**, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure;
  - (6) caused by continuous or repeated seepage or leakage of water;
  - (7) caused by the presence or condensation of humidity, moisture or vapor unless caused by a covered loss.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. **SECTION I - EXCLUSIONS**, Exclusion 3., **Water Damage**, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

## 14. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

- a. This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
- b. This peril does not include loss caused by or resulting from freezing.

15. **Sudden And Accidental Damage From Artificially Generated Electrical Current**

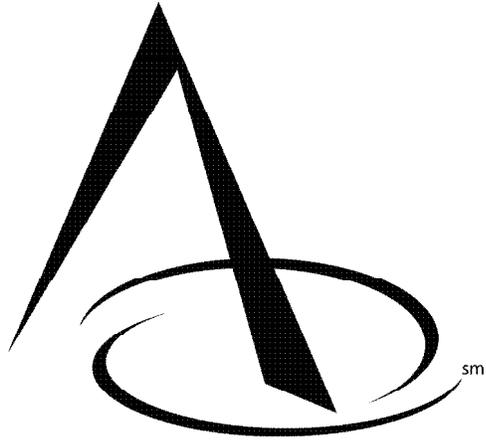
This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. **Freezing Of A Plumbing, Heating, Air Conditioning Or Automatic Fire Protective Sprinkler System Or Of A Household Appliance:**

This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliance of water.

All other provisions of this policy apply.



**HOMEOWNERS 10  
POLICY**



**AMERICAN MODERN SELECT INSURANCE COMPANY**

**AMELIA, OHIO**

**MAIN ADMINISTRATIVE OFFICE**

**MAILING ADDRESS**

**P.O. BOX 5323**

**CINCINNATI, OHIO 45201-5323**

**1-800-543-2644**

**HOMEOWNERS 10 POLICY  
AMERICAN MODERN SELECT INSURANCE COMPANY  
A Stock Insurance Company  
AMELIA, OHIO**

**TABLE OF CONTENTS**

<b>Agreement</b> .....	<b>1</b>
<b>Definitions</b> .....	<b>1</b>
<b>Section I - Property Coverages</b> .....	<b>2</b>
<b>Section I - Perils Insured Against</b> .....	<b>5</b>
<b>Section I - Exclusions</b> .....	<b>5</b>
<b>Section I - Conditions</b> .....	<b>6</b>
<b>Section II - Liability Coverages</b> .....	<b>8</b>
<b>Section II - Exclusions</b> .....	<b>9</b>
<b>Section II - Additional Coverages</b> .....	<b>11</b>
<b>Section II - Conditions</b> .....	<b>12</b>
<b>Sections I and II Conditions</b> .....	<b>13</b>

**READ YOUR POLICY CAREFULLY**

For service information or questions concerning this policy,  
contact your agent or call our Executive Office at  
**1-800-543-2644**

## AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

## DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **"Actual cash value"** means the cost to repair or replace property with new materials of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.
2. **"Aircraft"** means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
3. **"Bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
4. **"Burglary"** means the forcible entry into the insured dwelling or other structure on the **residence premises** with the intent to steal.
5. **"Business"** includes trade, profession or occupation.
6. **"Insured"** means you and residents of your household who are:
  - a. your relatives; or
  - b. other persons under the age of 21 and in the care of any person named above.

Under **SECTION II**, **"insured"** also means:

- c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 6.a. or 6.b. A person or organization using or having custody of these animals or watercraft in the course on any **business**, or without permission of the owner is not an **"insured"**;
- d. with respect to any vehicle to which this policy applies:
  - (1) persons while engaged in your employ or that of any person included in 6.a.

or 6.b. above; or

- (2) other persons using the vehicle or an **insured location** with your consent.

7. **"Insured location"** means:

- a. the **residence premises**;
- b. the part of other premises, other structures, and grounds, used by you as a residence and:
  - (1) which is shown in the Declarations; or
  - (2) which is acquired by you during the policy period for your use as a residence;
- c. any premises used by you in connection with a premises in 7.a. or 7.b. above;
- d. any part of a premises:
  - (1) not owned by an **insured**; and
  - (2) where an **insured** is temporarily residing;
- e. vacant land, other than farm land, owned by or rented to an **insured**;
- f. land owned by or rented to an **insured** on which a one- or two-family dwelling is being built as a residence for an **insured**;
- g. individual or family cemetery plots or burial vaults of an **insured**;
- h. any part of a premises occasionally rented to an **insured** for other than **business** use.

8. **"Motor vehicle"** means:

- a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **"motor vehicle"**.
- b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by or carried on a vehicle included on a vehicle included in 8.a. is not a **"motor vehicle"**;
- c. a motorized golf cart, snowmobile, or other motorized land vehicle owned by an **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **"motor vehicle"**;
- d. any vehicle while being towed by or carried on a vehicle included in 8.a., 8.b., or 8.c..

## SECTION I - PROPERTY COVERAGES

9. **"Occurrence"** means an accident, including exposure to conditions, that results, during the policy period, in:

- a. **bodily injury**; or
- b. **property damage**.

10. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

11. **"Property damage"** means physical injury to, destruction of, or loss of use of tangible property.

12. **"Punitive or exemplary damages"** means damages:

- a. in excess of the amount needed to compensate for **bodily injury** or **property damage**;
- b. that are imposed in order to punish or make an example of an **insured** for that **insured's** reckless, wanton, willful or malicious conduct.

13. **"Punitive or exemplary damages"** also include any awards:

- a. of double, treble, or other multiple damages;
- b. in excess of compensatory damages;
- c. pursuant to statute.

14. **"Residence employee"** means;

- a. an employee of an **insured** whose duties are related to the maintenance or use of the **residence premises**, including household or domestic services; or
- b. one who performs similar duties elsewhere that are not related to the **business** of any **insured**.

15. **"Residence premises"** means:

- a. the one-family dwelling, other structures, and grounds; or
- b. that part of any other building;

where you reside and which is shown as the **"residence premises"** in the Declarations.

**"Residence premises"** also means a two-family dwelling where you reside in at least one of the family units and which is shown as the **"residence premises"** in the Declarations.

### COVERAGE A - Dwelling

We cover:

1. the dwelling on the **residence premises** shown in the Declarations, including structures attached to the dwelling; and
2. materials and supplies located on or next to the **residence premises** used to construct, alter or repair the dwelling or other structures on the **residence premises**.

This coverage does not apply to land, including land on which the dwelling is located.

### COVERAGE B - Other Structures

We cover other structures on the **residence premises** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

We do not cover other structures:

- a. used in whole or in part for **business**; or
- b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to **COVERAGE A**. This coverage is additional insurance.

### COVERAGE C - Personal Property

We cover personal property owned or used by an **insured** while on the **residence premises**. At your request, we will cover personal property owned by others while the property is on the part of the **residence premises** occupied by an **insured**.

We also cover personal property owned or used by an **insured** while it is anywhere in the world but our limit of liability shall not be more than 10% of the limit of liability for **COVERAGE C**. Personal property in a newly acquired principal residence is not subject to this limitation for 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the **COVERAGE C** limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$250 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank

notes, manuscripts, passport, tickets and stamps.

3. \$250 on watercraft, including their trailers, furnishings, equipment and outboard motors.
4. \$250 on trailers not used with watercraft.
5. \$250 on grave markers.
6. \$250 in the aggregate for loss by **burglary** of guns, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, gold other than goldware, silver other than silverware, platinum and furs including articles containing fur which represents its principle value.
7. \$1,000 in the aggregate for loss by **burglary** of silverware, silver plated ware, goldware, gold plated ware and pewterware.
8. \$250 for loss to a radio or television antenna including lead-in wiring, mast or towers. The antenna must be on the **residence premises** or connected to a radio or television in the insured dwelling.
9. \$500 on fine arts, ceramics, china, antiques and heirlooms.
10. \$500 on tools (including but not limited to hand, electric, battery or gas-powered).
11. \$1,000 on computers, computer software, disks, personal digital assistants, equipment and accessories for these items.

**Property Not Covered.** We do not cover:

1. articles separately described and specifically insured in this or other insurance;
2. animals, birds or fish;
3. **motor vehicles** or all other motorized land conveyances. This includes:
  - a. equipment and accessories; or
  - b. any device or instrument for transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of a motor vehicle including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument; or
    - (3) any radar or electronic detection device while in or upon a **motor vehicle**.

We do cover vehicles or conveyances not

subject to motor vehicle registration that are:

- a. used to service an **insured's** residence; or
  - b. designed for assisting the handicapped;
4. **aircraft** and parts;
  5. property of roomers, boarders and other tenants, except property of roomers and boarders related to an **insured**;
  6. property in an apartment regularly rented or held for rental to others by an **insured**;
  7. property rented or held for rental to others off the **residence premises**;
  8. **business property**:
    - a. in storage or held as a sample or for sale or delivery after sale;
    - b. pertaining to a business actually conducted on the **residence premises**;
    - c. away from the **residence premises**;
  9. credit cards or fund transfer cards except as provided in **ADDITIONAL COVERAGES**, Item 6.

**COVERAGE D - Loss Of Use**

The limit of liability for **COVERAGE D** is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the **residence premises** where you reside not fit to live in, we cover, at your choice, either:
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the **residence premises** where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.
2. If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by you not fit to live in, we cover the:

**Fair Rental Value**, meaning the fair rental value of that part of the **residence premises** rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. If civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a **PERIL INSURED AGAINST** in this policy, we cover the Additional Living Expense or Fair Rental Value loss as provided under 1. and 2. above for no more than 14 days.
4. The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.
5. We do not cover loss or expense due to cancellation of a lease or agreement.

#### **ADDITIONAL COVERAGES**

##### **1. Debris Removal.**

We will pay your reasonable expense for the removal of:

- a. debris of covered property if a **PERIL INSURED AGAINST** causes the loss; or
- b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property.

##### **2. Reasonable Repairs.**

We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage if a **PERIL INSURED AGAINST** causes the loss. This coverage does not increase the limit of liability that applies to the property being repaired.

##### **3. Trees, Shrubs and Other Plants.**

- a. We cover trees, shrubs, plants or lawns, on the **residence premises**, for loss caused by the following **PERILS INSURED AGAINST**, Fire or lightning, Explosion, Riot or civil commotion, **Aircraft**, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief.
- b. The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns nor more than \$100 for any one tree, shrub or plant. We do not cover property grown for **business** purposes. This coverage is additional insurance.

##### **4. Fire Department Service Charge.**

We will pay up to \$250 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a **PERIL INSURED AGAINST**. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response. This coverage is additional insurance. No deductible applies to this coverage.

##### **5. Property Removed.**

We insure covered property against direct loss from any cause while being removed from a premises endangered by a **PERIL INSURED AGAINST** and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

##### **6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

a. We will pay up to \$500 for:

- (1) the legal obligation of an **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in an **insured's** name;
- (2) loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an **insured's** name;
- (3) loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and
- (4) loss to an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

b. We do not cover use of a credit card or fund transfer card:

- (1) by a resident of your household;
- (2) a person who has been entrusted with either type of card; or
- (3) if an **insured** has not complied with all terms and conditions under which the cards are issued.

c. All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

- d. We do not cover loss arising out of **business** use or dishonesty of an **insured**.
  - e. This coverage is additional insurance.
  - f. No deductible applies to this coverage.
  - g. Defense:
    - (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
    - (2) If a suit is brought against an **insured** for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
    - (3) We have the option to defend at our expense an **insured** or an **insured's** bank against any suit for the enforcement of payment under the Forgery coverage.
- 7. **Smoke**, meaning sudden and accidental damage from smoke.  
This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.
  - 8. **Vandalism or malicious mischief**.  
This peril does not include loss to property on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
  - 9. **Burglary** from within a building on the **residence premises** of which there must be visible evidence of forcible entry.  
This peril does not include loss caused by burglary:
    - a. committed by any **insured**;
    - b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied; or
    - c. from any part of a **residence premises** rented by an **insured** to other than an **insured**.
  - 10. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

## SECTION I - PERILS INSURED AGAINST

We insure for direct physical loss to the property described in **COVERAGES A, B** and **C** caused by a peril listed below unless the loss is excluded in **SECTION I - EXCLUSIONS**.

1. **Fire or lightning.**
2. **Windstorm or hail.**
  - a. This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
  - b. This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft**, including self-propelled missiles and spacecraft.
6. **Vehicles.**  
This peril does not include loss caused by a vehicle owned or operated by a resident of the **residence premises**.

## SECTION I - EXCLUSIONS

- We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
  2. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mudflow; earth sinking, rising or shifting; unless direct loss by:
    - (1) fire; or
    - (2) explosion;
 ensues and then we will pay only for the ensuing loss.
  3. **Water Damage**, meaning:
    - a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from

any of these, whether or not driven by wind;

- b. water which backs up through sewers or drains; or
- c. water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

- 4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the **residence premises**. But, if a **PERIL INSURED AGAINST** ensues on the **residence premises**, we will pay only for that ensuing loss.
- 5. **Neglect**, meaning neglect of the **insured** to use all reasonable means to save and preserve property at and after the time of a loss.
- 6. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
- 7. **Nuclear Hazard**, to the extent set forth in the **Nuclear Clause** of **SECTION I - CONDITIONS**.
- 8. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. by or at the direction of an **insured**; and
  - b. with the intent to cause a loss.
- 9. **Condemnation**. We provide no coverage under this policy if, prior to the date of a covered loss, the dwelling or other structure is declared condemned pursuant to local, city, state, federal or other governmental regulation. Upon date of condemnation, coverage will cease.
- 10. **Criminal acts**, meaning any loss that results from the criminal acts of any **insured**, including tenants and/or their relatives, on the **residence premises**.

## SECTION I - CONDITIONS

### 1. Insurable Interest and Limit of Liability.

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. to the **insured** for more than the amount of the **insured's** interest at the time of loss; or

- b. for more than the applicable limit of liability.

### 2. Your Duties After Loss.

In case of a loss to covered property, you must see that the following are done:

- a. give prompt notice to us or our agent, and in case of **burglary** also to the police;
- b. notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
- c. (1) protect the property from further damage;
- (2) make reasonable and necessary repairs required to protect the property; and
- (3) keep an accurate record of repair expenses;
- d. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- e. as often as we reasonably require:
  - (1) show the damaged property;
  - (2) provide us with records and documents we request and permit us to make copies; and
  - (3) submit to questions under oath and sign a copy of them;
- f. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) the time and cause of loss;
  - (2) the interest of the **insured** and all others in the property involved and all liens on the property;
  - (3) other insurance which may cover the loss;
  - (4) changes in title or occupancy of the property during the term of the policy;
  - (5) specifications of any damaged building and detailed repair estimates;
  - (6) the inventory of damaged personal property described in 2.d. above;
  - (7) receipts of additional living expenses incurred and records that support the fair rental value loss;

- (8) evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

### 3. Loss Settlement.

- a. Covered property losses are settled at **actual cash value** at the time of loss but not more than the amount required to repair or replace.
- b. If coverage under this policy extends to any building that is wholly or partially of log construction, the following limitation of coverage applies to such building:
- (1) In the event of a partial loss wherein any damaged logs cannot be cut out or removed and replaced by incision of new logs, and it is necessary to tear down and rebuild any undamaged portion of the building in order to replace the damaged logs, then our limit of liability for such tearing down and rebuilding the undamaged portion of the building shall not exceed \$1,000 or 2.5% of the amount of insurance on the building, whichever is greater.
  - (2) With respect to any Additional Living Expense or Fair Rental Value coverages provided by this policy, the additional time required to tear down and rebuild the undamaged portion of the building shall not be considered when computing the loss on this portion of the coverage.

### 4. Loss to a Pair or Set.

In case of loss to a pair or set we may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between the **actual cash value** of the property before and after the loss.

### 5. Appraisal.

- a. If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located.
- b. The appraisers will separately set the amount of loss. If the appraisers submit a

written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

c. Each party will:

- (1) pay its own appraiser; and
- (2) bear the other expenses of the appraisal and umpire equally.

### 6. Other Insurance.

If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

### 7. Suit Against Us.

No action shall be brought unless there has been compliance with the policy provisions and the action is started within two years after the date of loss.

### 8. Our Option.

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

### 9. Loss Payment.

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Payment for loss will be made within 60 days after we receive your proof of loss and:

- a. reach an agreement with you; or
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

### 10. Abandonment of Property.

We need not accept any property abandoned by an **insured**.

### 11. Mortgage Clause.

- a. The word "mortgagee" includes trustee.
- b. If a mortgagee is named in this policy, any loss payable under **COVERAGE A** or **B** shall be paid to the mortgagee and you, as interests appear.

If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

c. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- (1) notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- (2) pays any premium due under this policy on demand if you have neglected to pay the premium;
- (3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to **Appraisal, Suit Against Us** and **Loss Payment** apply to the mortgagee.

d. If the policy is cancelled or not renewed by us, the mortgagee shall be notified at least 10 days before the date cancellation or nonrenewal takes effect.

e. If we pay the mortgagee for any loss and deny payment to you:

- (1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- (2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

f. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

#### 12. **No Benefit to Bailee .**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

#### 13. **Nuclear Hazard Clause .**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the **PERILS INSURED AGAINST** in **SECTION I**.

c. This policy does not apply under **SECTION I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

#### 14. **Recovered Property.**

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

#### 15. **Volcanic Eruption Period.**

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

## SECTION II - LIABILITY COVERAGES

### COVERAGE E - Personal Liability

If a claim is made or a suit is brought against an **insured** for damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies, we will:

1. pay up to our limit of liability for the damages for which the **insured** is legally liable. However, we will pay no more than \$10,000 for any claim made or suit brought against any **insured** for **bodily injury** or **property damage** caused by or contributed to by any animal owned by, or in the care, custody or control of, any **insured**. This limit is the maximum that we will pay for any one **occurrence**; and
2. provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the **occurrence** equals our limit of liability.

### COVERAGE F - Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than **residence employees**. As to others, this Coverage

applies only:

1. to a person on the **insured location** with the permission of an **insured**; or
2. to a person off the **insured location**, if the **bodily injury**:
  - a. arises out of a condition on the **insured location** or the ways immediately adjoining;
  - b. is caused by the activities of an **insured**;
  - c. is caused by a **residence employee** in the course of the **residence employee's** employment by an **insured**; or
  - d. is caused by an animal owned by or in the care of an **insured**.

## SECTION II - EXCLUSIONS

1. **COVERAGE E - Personal Liability** and **COVERAGE F - Medical Payments to Others** do not apply to **bodily injury** or **property damage**:

- a. that is expected or intended by an **insured**;
- b. arising out of **business** pursuits of an **insured** or the rental or holding for rental of any part of any premises by an **insured**.

This exclusion does not apply to:

- (1) activities which are usual to non-**business** pursuits; or
- (2) the rental or holding for rental of an **insured location**:
  - (a) on an occasional basis if used only as a residence;
  - (b) in part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
  - (c) in part, as an office, school, studio or private garage;
- c. arising out of the rendering or failing to render professional services;
- d. arising out of a premises:
  - (1) owned by an **insured**;
  - (2) rented to an **insured**; or
  - (3) rented to others by an **insured**;that is not an **insured location**;

This Exclusion d. does not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**;

- e. arising out of the ownership, maintenance, use, loading or unloading of:
  - (1) an aircraft, meaning any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
  - (2) **motor vehicle(s)** or all other motorized land conveyances, including trailers, owned or operated by, or rented or loaned to an **insured**; or
  - (3) watercraft:
    - (a) owned by or rented to an **insured** if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;
    - (b) powered by one or more outboard motors with more than 25 total horsepower, owned by an **insured** at the inception of this policy. If you report in writing to us within 45 days after acquisition, an intention to insure any outboard motors acquired prior to the policy period, coverage will apply; or
    - (c) designated as an airboat, air cushion, jet ski or similar type of craft.

This Exclusion e.(3) does not apply while the watercraft is stored.

Exclusion e. does not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**;

- f. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;
- g. arising out of:
  - (1) assault or battery committed by, or at the instigation or direction of, any **insured**, any employee of any **insured**, or any other person;

- (2) any act or omission by any **insured**, any employee of any **insured**, or any other person, in connection with the suppression or prevention of an assault or battery; or
  - (3) any assault or battery resulting from or arising out of the negligent hiring, supervision or training of any employee of an **insured**;
- h. arising out of physical, sexual abuse or molestation, or immoral or sexual behavior, whether caused by, at the instigation of, at the direction of, or omission by, any **insured**, any employee of any **insured**, or any other person;
  - i. arising out of the transmission of a communicable disease by any **insured** or by any other person for whom any **insured** is legally responsible;
  - j. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A., Sections 811 and 812. Controlled Substances include, but are not limited to, cocaine, LSD, marijuana and all narcotic drugs. However, this Exclusion (1.j.) does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
  - k. arising out of or connected to the following:
    - (1) use of the **residence premises**; or
    - (2) engagement of an **insured**, whether compensated or not;
 in any **business**, commercial or farming activity;
  - l. arising out of or connected to engagement of an **insured** in any home day care activity. This Exclusion (1.l.) applies even if the **insured** receives no compensation for such activity. Home day care activity does not include the care of an **insured** as defined in **AGREEMENT**, Definitions 6.a. or 6.b.;
  - m. arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:
    - (1) at or from premises that you own, rent, or occupy;
    - (2) at or from any site or location that you or others use:
      - (a) for the handling, storage, disposal, processing or treatment of waste;
      - (b) whether for you or for others;
- (3) for which you or any person or organization for whom you may be legally responsible:
    - (a) transports, handles, stores, treats, disposes of or processes as waste;
    - (b) whether for you or for others;
    - (c) at any time; or
  - (4) at or from any site or location on which operations are being performed by:
    - (a) an **insured**; or
    - (b) any contractors or subcontractors working directly or indirectly on your behalf;
 if:
    - (a) anyone brings **pollutants** on or to the site or location in connection with such operations; and
    - (b) the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.
- Waste includes materials to be recycled, reconditioned or reclaimed.
- n. arising out of any loss, cost or expense that results from any direction or request by any government or its agencies regarding **pollutants**. This includes direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**.
2. **COVERAGE E - Personal Liability**, does not apply to:
- a. liability assumed under any unwritten contract or agreement, or by contract or agreement in connection with any business of an **insured**;
  - b. **property damage** to property owned by an **insured**;
  - c. **property damage** to property rented to, occupied or used by or in the care of an **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
  - d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law;

- e. **bodily injury** or **property damage** for which an **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors; or
  - f. **bodily injury** to you or an **insured** within the meaning of part a. or b. of "**insured**" as defined.
3. **COVERAGE F - Medical Payments to Others**, does not apply to **bodily injury**:
- a. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by an **insured**;
  - b. to any person, eligible to receive any benefits required to be provided or voluntarily provided under any worker's or workmen's compensation, non-occupational disability or occupational disease law;
  - c. from any nuclear reaction, radiation or radioactive contaminate, all whether controlled or uncontrolled or however caused, or any of these;
  - d. to any person other than a **residence employee** of an **insured**, regularly residing on any part of the **insured location**.
4. The following coverages do not apply to a claim of, or indemnification for, **punitive or exemplary damages**:
- a. **COVERAGE E**;
  - b. **COVERAGE F**.
- If anyone sues an **insured**;
- a. for a claim falling within coverage provided under the policy; and
  - b. seeking both compensatory and **punitive or exemplary damages**;
- then we will afford a defense to such action. However, we will have no obligation to pay for any costs, interest, or damages attributable to **punitive or exemplary damages**.
5. **COVERAGE E - Personal Liability and COVERAGE F - Medical Payments To Others** do not apply to:
- a. **bodily injury** arising from the ingestion, inhalation, or absorption of lead in any form.
  - b. **property damage** arising from any form of lead contamination.
  - c. any loss, cost, or expense arising from any request, demand or order that any **insured** or others:
    - (1) test for;
    - (2) monitor;
    - (3) clean up;
    - (4) remove;
    - (5) contain;
    - (6) treat;
    - (7) detoxify or neutralize; or
    - (8) in any way respond to, or assess the effects of, lead.
  - d. Any loss, cost, or expense arising from any claim or suit by or on behalf of a governmental authority for damages because of:
    - (1) testing for;
    - (2) monitoring;
    - (3) cleaning up;
    - (4) removing;
    - (5) containing;
    - (6) treating;
    - (7) detoxifying or neutralizing; or
    - (8) in any way responding to, or assessing the effects of lead.

## SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

### 1. **Claim Expenses.**

We pay:

- a. expenses incurred by us and costs taxed against an **insured** in any suit we defend;
- b. premiums on bonds required in a suit we defend, but not for bond amounts greater than the limit of liability for **COVERAGE E**

We need not apply for or furnish any bond;

- c. reasonable expenses up to \$50 per day incurred by an **insured** at our request, including actual loss of earnings but not loss of other income, for assisting us in the investigation defense of any claim or suit;
- d. interest on the entire judgment that accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies;
- e. prejudgment interest awarded against the **insured** on that part of the judgment we pay.

If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

## 2. **First Aid Expenses.**

We will pay for first aid to others incurred by an **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.

## 3. **Damage to Property of Others.**

- a. We will pay, at replacement cost, up to \$250 per **occurrence** for **property damage** to property of others caused by an **insured**.
- b. We will not pay for **property damage**:
  - (1) to the extent of any amount recoverable under **SECTION I** of this policy;
  - (2) caused intentionally by an **insured** who is 13 years of age or older;
  - (3) to property owned by or rented to an **insured**, a tenant of an **insured**, or a resident in your household; or
  - (4) arising out of:
    - (a) **business** pursuits;
    - (b) any act of omission in connection with a premises owned, rented or controlled by an **insured**, other than the **insured location**, or
    - (c) the ownership, maintenance, or use of a **motor vehicle**, or other motorized land conveyance, **aircraft** or watercraft.

## SECTION II - CONDITIONS

### 1. **Limit of Liability.**

- a. Our total liability under **COVERAGE E** for all damages resulting from any one **occurrence** shall not be more than the limit of liability for **COVERAGE E** stated in the Declarations. This limit is the same regardless of the number of **insureds**, claims made or persons injured.
- b. Our total liability under **COVERAGE F** for all medical expense payable for **bodily injury** to one person as the result of one accident will not be more than the limit of liability for **COVERAGE F** stated in the Declarations.

### 2. **Severability of Insurance.**

This insurance applies separately to each **insured**. This condition will not increase our limit of liability for any one **occurrence**.

### 3. **Duties After Loss.**

In case of an accident or **occurrence**, the **insured** will perform the following duties that apply. You will help us by seeing that these duties are performed:

- a. give written notice to us or our agent as soon as is practical, which sets forth:
  - (1) the identity of the policy and **insured**;
  - (2) reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
  - (3) names and addresses of any claimants and witnesses;
- b. promptly forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
- c. at our request, help us:
  - (1) to make settlement;
  - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured**;
  - (3) with the conduct of suits and attend hearings and trials;
  - (4) to secure and give evidence and obtain the attendance of witnesses;
- d. under **SECTION II - ADDITIONAL COVERAGES, Damage to Property of Others**, submit to us within 60 days after

the loss, a sworn statement of loss and show the damaged property, if in an **insured's** control;

- e. the **insured** will not, except at the **insured's** own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the **bodily injury**.

4. **Duties of an Injured Person - Coverage F - Medical Payments to Others.**

- a. The injured person or someone acting for the injured person will:
  - (1) give us written proof of claim, under oath if required, as soon as is practical; and
  - (2) authorize us to obtain copies of medical reports and records.
- b. The injured person shall submit to physical examination by a doctor of our choice when and as often as we reasonably require.

5. **Payment of Claim - Coverage F - Medical Payments of Others.**

Payment under this coverage is not an admission of liability by an **insured** or us.

6. **Suit Against Us.**

- a. No action can be brought against us unless there has been compliance with the policy provisions.
- b. No one will have any right to join us as a party to any action against an **insured**. Also, no action with respect to **COVERAGE E** can be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.**

Bankruptcy or insolvency of an **insured** will not relieve us of our obligations under this policy.

8. **Other Insurance - Coverage E - Personal Liability.**

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

**SECTION I AND SECTION II - CONDITIONS**

1. **Policy Period.**

This policy applies only to loss under **SECTION I** or **bodily injury** or **property damage** under

**SECTION II** that occurs during the policy period.

2. **Concealment or Fraud.**

We do not provide coverage for an **insured** who has:

- a. intentionally concealed or misrepresented any material fact or circumstances; or
- b. made false statements or engaged in fraudulent conduct relating to this insurance.

3. **Liberalization Clause.**

If we adopt a revision which would broaden the coverage under this policy without additional premium within 60 days prior to us or during the policy period, the broadened coverage will immediately apply to this policy.

4. **Waiver or Change of Policy Provisions.**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

5. **Cancellation.**

- a. You may cancel this policy at any time by returning to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy at any time by letting you know in writing at least 10 days before the cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Non-Renewal.**

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

7. **Assignment.**

Assignment of this policy shall not be valid unless we give our written consent.

8. **Subrogation.**

- a. An **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
- b. If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.
- c. Subrogation does not apply under **SECTION II to Medical Payments to Others or Damage to Property of Others.**

9. **Death.**

If any person named in the Declarations or the spouse, if a resident of the same household, dies:

- a. we insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;
- b. **insured** includes:
  - (1) any member of your household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and
  - (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

IN WITNESS WHEREOF, we have caused this policy to be signed by its President and Secretary, at Amelia, Ohio, and countersigned in the Declarations by a duly authorized representative of the Company.



Chairman, President and CEO



Secretary

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*              *085 AR HO-10*  
*Project Name/Number:*      *AR HO-10 Form/20070601-09*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125312531 State: Arkansas  
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026311  
Company Tracking Number: 20070601-09  
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners  
Product Name: 085 AR HO-10  
Project Name/Number: AR HO-10 Form/20070601-09

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 11/07/2007

**Comments:**

**Attachment:**

FORM - F777AR\_021307[1].pdf

**Satisfied -Name:** Form Summary Page **Review Status:** Approved 11/07/2007

**Comments:**

**Attachment:**

F1 Page .pdf

**Satisfied -Name:** Cover Letter **Review Status:** Approved 11/07/2007

**Comments:**

**Attachment:**

2 - Cover LetterAR.pdf

**Satisfied -Name:** Response Cover Letter **Review Status:** Approved 11/07/2007

**Comments:**

**Attachments:**

Form Obj Response.pdf  
AMSIC DEC PG HO.doc  
ST000.pdf  
STR03-200710.pdf  
ST303-200710.pdf

**Satisfied -Name:** Cover Letter - Response 2 **Review Status:** Approved 11/07/2007

**Comments:**

*SERFF Tracking Number:*      *AMMH-125312531*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Modern Select Insurance Company*      *State Tracking Number:*      *AR-PC-07-026311*  
*Company Tracking Number:*      *20070601-09*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0005 Other Homeowners*  
*Product Name:*              *085 AR HO-10*  
*Project Name/Number:*      *AR HO-10 Form/20070601-09*

**Attachment:**

Form Obj Response 2.pdf



## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

<b>3. Group Name</b>	<b>Group NAIC #</b>

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Modern Select Insurance Company	OH	38652	38-2342976	

<b>5. Company Tracking Number</b>	<b>20070601-09</b>
-----------------------------------	--------------------

**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Krista N. Mahaffey	Compliance Analyst	1-800-543-2644, ext. 5953	513-947-4695	KMahaffey@amig.com

7. Signature of authorized filer	<i>Krista N. Mahaffey</i>
8. Please print name of authorized filer	Krista N. Mahaffey

**Filing information** (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	HO-10
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Arkansas HO-10 Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input checked="" type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 12/01/2007                      Renewal: N/A
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	

19. **Status of filing in domicile**  Not Filed  Pending  Authorized  Disapproved

## Property & Casualty Transmittal Document—

20. **This filing transmittal is part of Company Tracking #** 20070601-09

21. **Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

Please see cover letter.

22. **Filing Fees** (Filer must provide check # and fee amount if applicable)  
[If a state requires you to show how you calculated your filing fees, place that calculation below]

**Check #:** Pending in our Accounting Department, will update SERFF with check number once obtained.

**Amount:** \$50.00

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

Effective March 1, 2007

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**ARKANSAS  
AMERICAN MODERN SELECT INSURANCE COMPANY  
HO-10 SPECIAL HOMEOWNERS PROGRAM**

**FORM SECTION**

**POLICY AND DECLARATION PAGE**

<b><u>Form Number</u></b>	<b><u>Title</u></b>
0110-4269 (5/92)	Declaration Page
HO10APP – AR – INS (08/07)	HO-10 Specialty Homeowner Application
EQ DECLN 03 (03/00)	Application Supplement – Declination of Residential Earthquake Coverage

**OPTIONAL AND MANDATORY ENDORSEMENTS BY PROGRAM**

**Optional Endorsements**

70399 (03/85)	Notice of Cancellation or Non Renewal
72935 (02/06)	Additional Residence Rented to Others
ST300 (05/06)	Homeowners 10 Policy Enhanced Coverage Endorsement -\$10,000 aggregate limit
ST700 (01/04)	Homeowners 10 Policy Replacement Cost Coverage – Cov C
STR00 (01/04)	Homeowners 10 Policy Replacement Cost Coverage - Cov A
STY00 (06/06)	Hobby Farming Coverage

ST100 (05/01)	Animal Liability Exclusion
ST900 (06/05)	Homeowners 10 Policy Other Structures Exclusion
72931 (10/06)	Homeowners Roof Exclusion Endorsement

**Mandatory Endorsements**

STA03 (06/07)	Special Provisions – Arkansas
ST500 (06/05)	Homeowners – 10 Policy Mold Liability Exclusion
STL00 (06/01)	Homeowners 10 Policy Lead Contamination Exclusion
STS00 (08/06)	Homeowners 10 Policy Swimming Pool Slide and Diving Board Exclusion

**ALL PROGRAMS**

71428 (01/06)	Arkansas Act 197 of 1987
EQN03 (03/00)	Notice to Policyholders

NEW PAGE	X	PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION		F-1	05/01/06	10/03/07



AMERICAN MODERN SELECT  
INSURANCE COMPANY

October 3, 2007

ARKANSAS INSURANCE DEPARTMENT  
PROPERTY & CASUALTY DIVISION  
1200 W 3RD ST  
LITTLE ROCK AR 72201-1904

RE: American Modern Select Insurance Company  
Specialty Homeowner HO-10 Program  
Initial Form Filing  
Company File number: 20070601-09  
NAIC Number: 38652

Dear Reviewer,

On behalf of American Modern Home Insurance Company I am introducing for your review, our Specialty Homeowner HO-10 program. We would like to implement this program with an effective date of 12/01/2007. The corresponding rate/rule filing, project number 20071003-01, is also being submitted for your review. I have attached all necessary documentation.

If you should have any questions or concerns regarding this submission please feel free to contact me by phone at 1-800-759-9008 Ext. 5953 or via email at [KMahaffey@amig.com](mailto:KMahaffey@amig.com).

Sincerely,

*Krista N. Mahaffey*

Krista N. Mahaffey  
Compliance Analyst



AMERICAN MODERN SELECT  
INSURANCE COMPANY

October 22, 2007

ARKANSAS INSURANCE DEPARTMENT  
PROPERTY & CASUALTY DIVISION  
1200 W 3RD ST  
LITTLE ROCK AR 72201-1904

RE: American Modern Select Insurance Company  
Specialty Homeowner HO-10 Program  
Initial Form Filing  
Company File number: 20070601-09  
NAIC Number: 38652

Dear Reviewer,

On behalf of American Modern Home Insurance Company I would like to address questions and concerns you have regarding our HO-10 filing submission. I will address these questions in order which they were presented.

**Question 1)**

[The company listed at the top of the page is not consistent with the company listed in this filing.](#)

**Answer:** Please see the attached declarations page.

**Question 2)**

[The attached form is a RC endorsement on the dwelling. Provide the dwelling coverage policy form/insuring agreement.](#)

**Answer:** Please see the attached policy for your review.

**Question 3)**

[Wind/hail may not be excluded from the policy. A roof exclusion may be provided for all perils until the roof is replaced by the insured.](#)

**Answer:** We have revised our roof exclusion endorsement to meet your requirements. A copy of the new endorsement is attached for your review; form number STR03 (10/07).

**Question 4)**

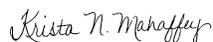
[The water damage limitation does not appear to comply with Bulletin 10-2002. Molds/Fungi that are the result of any covered cause of loss must be covered up to the applicable dwelling policy limit.](#)

**Answer:** We have revised our Enhanced Coverage endorsement to remove all reference to mold/fungi. A copy of the new endorsement is attached for your review; form number ST303 (10/07).

I hope that I have answered your questions about this program and appreciate the time you have taken to review our filing.

If you should have any further questions or concerns regarding this submission please feel free to contact me by phone at 1-800-759-9008 Ext. 5953 or via email at [KMahaffey@amig.com](mailto:KMahaffey@amig.com).

Sincerely,



Krista N. Mahaffey  
Compliance Analyst



**AMERICAN MODERN SELECT INSURANCE COMPANY**

**HOMEOWNERS POLICY DECLARATIONS**

**POLICY NUMBER: 077 000 000 0000**

**NAMED INSURED:**  
 INSURED NAME  
 INSURED ADDRESS  
 CITY ST ZIP

**AGENT 012345:**  
 AGENT NAME  
 AGENT ADDRESS  
 CITY ST ZIP

**MAIL TO:**  
 INSURED  
 INSURED ADDRESS  
 CITY ST ZIP

**BROKER 123456:**  
 BROKER NAME  
 BROKER ADDRESS  
 CITY ST ZIP  
 PHONE NUMBER

**POLICY PERIOD:**  
**FROM:** JULY 1, 2006 **TO:** JULY 1, 2007  
 12:01 A.M. STANDARD TIME  
 AT INSURED PROPERTY ADDRESS

**INSURED PROPERTY:**  
 PHYSICAL LOCATION  
 CITY ST ZIP

**LIENHOLDER 1 ACCT:**  
 LIENHOLDER NAME  
 LIENHOLDER ADDRESS  
 LIENHOLDER ADDRESS2  
 CITY ST ZIP

UNIT	PR	CLS	TERR	CONSTRUCT	TYPE	NO. FAMILIES	NO. STORIES	TYPE USE
1.	05		70	FRAME		ONE FAMILY	ONE STORY	OWNER OCCUPIED

THIS POLICY PROVIDES ONLY THE FOLLOWING COVERAGES FOR THIS UNIT:

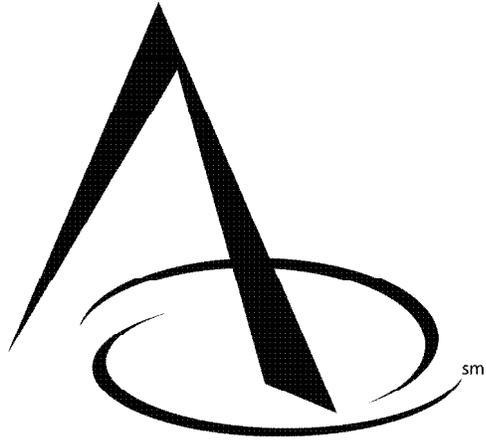
SECTION	ITEM	COVERAGE	LIMIT	PREMIUM
1	DWELLING	SPECIAL FORM HO-3 ED. 4/91	\$50,000	\$601.00
1	PERS PROP	SPECIAL FORM HO-3 ED. 4/91	\$25,000	
1	OTHER STRU	SPECIAL FORM HO-3 ED. 4/91	\$2,500	
1		LOSS OF USE	\$10,000	
1	DEDUCTIBLE	SUBJECT TO ALL PERILS FIRE DEPARTMENT SERVICE	\$500 \$500	
2	PERS LIAB	PERSONAL LIABILITY-PER OCCURRENC	\$100,000	
2	PERS LIAB	MEDICAL PAYMENTS-PER PERSON	\$1,000	
2	PERS LIAB	DAMAGE TO PROPERTY OF OTHER	\$500	
MINIMUM WRITTEN AND/OR EARNED MAY APPLY			TOTAL PREMIUM	\$601.00

"LIMITS FOR SPECIFIC OTHER STRUCTURES APPEAR ON APPLICATION"

**(CONTINUED ON REVERSE SIDE)**

**ENDORSEMENT FORMS APPLICABLE TO THIS POLICY:**

S3002 04/91; 71908 04/98; 73207 04/98; SB300 11/00; S3A00 08/00;  
 71755 06/92; 73381 01/00;



**HOMEOWNERS 10  
POLICY**



**AMERICAN MODERN SELECT INSURANCE COMPANY**

**AMELIA, OHIO**

**MAIN ADMINISTRATIVE OFFICE**

**MAILING ADDRESS**

**P.O. BOX 5323**

**CINCINNATI, OHIO 45201-5323**

**1-800-543-2644**

**HOMEOWNERS 10 POLICY  
AMERICAN MODERN SELECT INSURANCE COMPANY  
A Stock Insurance Company  
AMELIA, OHIO**

**TABLE OF CONTENTS**

<b>Agreement .....</b>	<b>1</b>
<b>Definitions .....</b>	<b>1</b>
<b>Section I - Property Coverages .....</b>	<b>2</b>
<b>Section I - Perils Insured Against .....</b>	<b>5</b>
<b>Section I - Exclusions .....</b>	<b>5</b>
<b>Section I - Conditions .....</b>	<b>6</b>
<b>Section II - Liability Coverages .....</b>	<b>8</b>
<b>Section II - Exclusions .....</b>	<b>9</b>
<b>Section II - Additional Coverages .....</b>	<b>11</b>
<b>Section II - Conditions .....</b>	<b>12</b>
<b>Sections I and II Conditions .....</b>	<b>13</b>

**READ YOUR POLICY CAREFULLY**

For service information or questions concerning this policy,  
contact your agent or call our Executive Office at  
**1-800-543-2644**

## AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

## DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **"Actual cash value"** means the cost to repair or replace property with new materials of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.
2. **"Aircraft"** means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
3. **"Bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
4. **"Burglary"** means the forcible entry into the insured dwelling or other structure on the **residence premises** with the intent to steal.
5. **"Business"** includes trade, profession or occupation.
6. **"Insured"** means you and residents of your household who are:
  - a. your relatives; or
  - b. other persons under the age of 21 and in the care of any person named above.

Under **SECTION II**, **"insured"** also means:

- c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 6.a. or 6.b. A person or organization using or having custody of these animals or watercraft in the course on any **business**, or without permission of the owner is not an **"insured"**;
- d. with respect to any vehicle to which this policy applies:
  - (1) persons while engaged in your employ or that of any person included in 6.a.

or 6.b. above; or

- (2) other persons using the vehicle or an **insured location** with your consent.

7. **"Insured location"** means:

- a. the **residence premises**;
- b. the part of other premises, other structures, and grounds, used by you as a residence and:
  - (1) which is shown in the Declarations; or
  - (2) which is acquired by you during the policy period for your use as a residence;
- c. any premises used by you in connection with a premises in 7.a. or 7.b. above;
- d. any part of a premises:
  - (1) not owned by an **insured**; and
  - (2) where an **insured** is temporarily residing;
- e. vacant land, other than farm land, owned by or rented to an **insured**;
- f. land owned by or rented to an **insured** on which a one- or two-family dwelling is being built as a residence for an **insured**;
- g. individual or family cemetery plots or burial vaults of an **insured**;
- h. any part of a premises occasionally rented to an **insured** for other than **business** use.

8. **"Motor vehicle"** means:

- a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **"motor vehicle"**.
- b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by or carried on a vehicle included on a vehicle included in 8.a. is not a **"motor vehicle"**;
- c. a motorized golf cart, snowmobile, or other motorized land vehicle owned by an **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **"motor vehicle"**;
- d. any vehicle while being towed by or carried on a vehicle included in 8.a., 8.b., or 8.c..

## SECTION I - PROPERTY COVERAGES

9. **"Occurrence"** means an accident, including exposure to conditions, that results, during the policy period, in:
- bodily injury**; or
  - property damage**.
10. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. **"Property damage"** means physical injury to, destruction of, or loss of use of tangible property.
12. **"Punitive or exemplary damages"** means damages:
- in excess of the amount needed to compensate for **bodily injury** or **property damage**;
  - that are imposed in order to punish or make an example of an **insured** for that **insured's** reckless, wanton, willful or malicious conduct.
13. **"Punitive or exemplary damages"** also include any awards:
- of double, treble, or other multiple damages;
  - in excess of compensatory damages;
  - pursuant to statute.
14. **"Residence employee"** means:
- an employee of an **insured** whose duties are related to the maintenance or use of the **residence premises**, including household or domestic services; or
  - one who performs similar duties elsewhere that are not related to the **business** of any **insured**.
15. **"Residence premises"** means:
- the one-family dwelling, other structures, and grounds; or
  - that part of any other building;
- where you reside and which is shown as the **"residence premises"** in the Declarations.

**"Residence premises"** also means a two-family dwelling where you reside in at least one of the family units and which is shown as the **"residence premises"** in the Declarations.

### COVERAGE A - Dwelling

We cover:

- the dwelling on the **residence premises** shown in the Declarations, including structures attached to the dwelling; and
- materials and supplies located on or next to the **residence premises** used to construct, alter or repair the dwelling or other structures on the **residence premises**.

This coverage does not apply to land, including land on which the dwelling is located.

### COVERAGE B - Other Structures

We cover other structures on the **residence premises** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

We do not cover other structures:

- used in whole or in part for **business**; or
- rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to **COVERAGE A**. This coverage is additional insurance.

### COVERAGE C - Personal Property

We cover personal property owned or used by an **insured** while on the **residence premises**. At your request, we will cover personal property owned by others while the property is on the part of the **residence premises** occupied by an **insured**.

We also cover personal property owned or used by an **insured** while it is anywhere in the world but our limit of liability shall not be more than 10% of the limit of liability for **COVERAGE C**. Personal property in a newly acquired principal residence is not subject to this limitation for 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the **COVERAGE C** limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

- \$100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- \$250 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank

notes, manuscripts, passport, tickets and stamps.

3. \$250 on watercraft, including their trailers, furnishings, equipment and outboard motors.
4. \$250 on trailers not used with watercraft.
5. \$250 on grave markers.
6. \$250 in the aggregate for loss by **burglary** of guns, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, gold other than goldware, silver other than silverware, platinum and furs including articles containing fur which represents its principle value.
7. \$1,000 in the aggregate for loss by **burglary** of silverware, silver plated ware, goldware, gold plated ware and pewterware.
8. \$250 for loss to a radio or television antenna including lead-in wiring, mast or towers. The antenna must be on the **residence premises** or connected to a radio or television in the insured dwelling.
9. \$500 on fine arts, ceramics, china, antiques and heirlooms.
10. \$500 on tools (including but not limited to hand, electric, battery or gas-powered).
11. \$1,000 on computers, computer software, disks, personal digital assistants, equipment and accessories for these items.

**Property Not Covered.** We do not cover:

1. articles separately described and specifically insured in this or other insurance;
2. animals, birds or fish;
3. **motor vehicles** or all other motorized land conveyances. This includes:
  - a. equipment and accessories; or
  - b. any device or instrument for transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of a motor vehicle including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument; or
    - (3) any radar or electronic detection device while in or upon a **motor vehicle**.

We do cover vehicles or conveyances not

subject to motor vehicle registration that are:

- a. used to service an **insured's** residence; or
  - b. designed for assisting the handicapped;
4. **aircraft** and parts;
  5. property of roomers, boarders and other tenants, except property of roomers and boarders related to an **insured**;
  6. property in an apartment regularly rented or held for rental to others by an **insured**;
  7. property rented or held for rental to others off the **residence premises**;
  8. **business property**:
    - a. in storage or held as a sample or for sale or delivery after sale;
    - b. pertaining to a business actually conducted on the **residence premises**;
    - c. away from the **residence premises**;
  9. credit cards or fund transfer cards except as provided in **ADDITIONAL COVERAGES**, Item 6.

**COVERAGE D - Loss Of Use**

The limit of liability for **COVERAGE D** is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the **residence premises** where you reside not fit to live in, we cover, at your choice, either:
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the **residence premises** where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under a. or b. will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.
2. If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by you not fit to live in, we cover the:

**Fair Rental Value**, meaning the fair rental value of that part of the **residence premises** rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. If civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a **PERIL INSURED AGAINST** in this policy, we cover the Additional Living Expense or Fair Rental Value loss as provided under 1. and 2. above for no more than 14 days.
4. The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.
5. We do not cover loss or expense due to cancellation of a lease or agreement.

#### **ADDITIONAL COVERAGES**

##### **1. Debris Removal.**

We will pay your reasonable expense for the removal of:

- a. debris of covered property if a **PERIL INSURED AGAINST** causes the loss; or
- b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property.

##### **2. Reasonable Repairs.**

We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage if a **PERIL INSURED AGAINST** causes the loss. This coverage does not increase the limit of liability that applies to the property being repaired.

##### **3. Trees, Shrubs and Other Plants.**

- a. We cover trees, shrubs, plants or lawns, on the **residence premises**, for loss caused by the following **PERILS INSURED AGAINST**, Fire or lightning, Explosion, Riot or civil commotion, **Aircraft**, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief.
- b. The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns nor more than \$100 for any one tree, shrub or plant. We do not cover property grown for **business** purposes. This coverage is additional insurance.

##### **4. Fire Department Service Charge.**

We will pay up to \$250 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a **PERIL INSURED AGAINST**. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response. This coverage is additional insurance. No deductible applies to this coverage.

##### **5. Property Removed.**

We insure covered property against direct loss from any cause while being removed from a premises endangered by a **PERIL INSURED AGAINST** and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

##### **6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

a. We will pay up to \$500 for:

- (1) the legal obligation of an **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in an **insured's** name;
- (2) loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an **insured's** name;
- (3) loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and
- (4) loss to an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

b. We do not cover use of a credit card or fund transfer card:

- (1) by a resident of your household;
- (2) a person who has been entrusted with either type of card; or
- (3) if an **insured** has not complied with all terms and conditions under which the cards are issued.

c. All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

- d. We do not cover loss arising out of **business** use or dishonesty of an **insured**.
  - e. This coverage is additional insurance.
  - f. No deductible applies to this coverage.
  - g. Defense:
    - (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
    - (2) If a suit is brought against an **insured** for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
    - (3) We have the option to defend at our expense an **insured** or an **insured's** bank against any suit for the enforcement of payment under the Forgery coverage.
- 7. **Smoke**, meaning sudden and accidental damage from smoke.  
This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.
  - 8. **Vandalism or malicious mischief**.  
This peril does not include loss to property on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
  - 9. **Burglary** from within a building on the **residence premises** of which there must be visible evidence of forcible entry.  
This peril does not include loss caused by burglary:
    - a. committed by any **insured**;
    - b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied; or
    - c. from any part of a **residence premises** rented by an **insured** to other than an **insured**.
  - 10. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

## SECTION I - PERILS INSURED AGAINST

We insure for direct physical loss to the property described in **COVERAGES A, B** and **C** caused by a peril listed below unless the loss is excluded in **SECTION I - EXCLUSIONS**.

- 1. **Fire or lightning.**
- 2. **Windstorm or hail.**
  - a. This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
  - b. This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.
- 3. **Explosion.**
- 4. **Riot or civil commotion.**
- 5. **Aircraft**, including self-propelled missiles and spacecraft.
- 6. **Vehicles.**  
This peril does not include loss caused by a vehicle owned or operated by a resident of the **residence premises**.

## SECTION I - EXCLUSIONS

- We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
- 1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
  - 2. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mudflow; earth sinking, rising or shifting; unless direct loss by:
    - (1) fire; or
    - (2) explosion;
 ensues and then we will pay only for the ensuing loss.
  - 3. **Water Damage**, meaning:
    - a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from

any of these, whether or not driven by wind;

- b. water which backs up through sewers or drains; or
- c. water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

- 4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the **residence premises**. But, if a **PERIL INSURED AGAINST** ensues on the **residence premises**, we will pay only for that ensuing loss.
- 5. **Neglect**, meaning neglect of the **insured** to use all reasonable means to save and preserve property at and after the time of a loss.
- 6. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
- 7. **Nuclear Hazard**, to the extent set forth in the **Nuclear Clause** of **SECTION I - CONDITIONS**.
- 8. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. by or at the direction of an **insured**; and
  - b. with the intent to cause a loss.
- 9. **Condemnation**. We provide no coverage under this policy if, prior to the date of a covered loss, the dwelling or other structure is declared condemned pursuant to local, city, state, federal or other governmental regulation. Upon date of condemnation, coverage will cease.
- 10. **Criminal acts**, meaning any loss that results from the criminal acts of any **insured**, including tenants and/or their relatives, on the **residence premises**.

## SECTION I - CONDITIONS

### 1. Insurable Interest and Limit of Liability.

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. to the **insured** for more than the amount of the **insured's** interest at the time of loss; or

- b. for more than the applicable limit of liability.

### 2. Your Duties After Loss.

In case of a loss to covered property, you must see that the following are done:

- a. give prompt notice to us or our agent, and in case of **burglary** also to the police;
- b. notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
- c. (1) protect the property from further damage;
- (2) make reasonable and necessary repairs required to protect the property; and
- (3) keep an accurate record of repair expenses;
- d. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- e. as often as we reasonably require:
  - (1) show the damaged property;
  - (2) provide us with records and documents we request and permit us to make copies; and
  - (3) submit to questions under oath and sign a copy of them;
- f. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) the time and cause of loss;
  - (2) the interest of the **insured** and all others in the property involved and all liens on the property;
  - (3) other insurance which may cover the loss;
  - (4) changes in title or occupancy of the property during the term of the policy;
  - (5) specifications of any damaged building and detailed repair estimates;
  - (6) the inventory of damaged personal property described in 2.d. above;
  - (7) receipts of additional living expenses incurred and records that support the fair rental value loss;

- (8) evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

### 3. Loss Settlement.

- a. Covered property losses are settled at **actual cash value** at the time of loss but not more than the amount required to repair or replace.
- b. If coverage under this policy extends to any building that is wholly or partially of log construction, the following limitation of coverage applies to such building:
- (1) In the event of a partial loss wherein any damaged logs cannot be cut out or removed and replaced by incision of new logs, and it is necessary to tear down and rebuild any undamaged portion of the building in order to replace the damaged logs, then our limit of liability for such tearing down and rebuilding the undamaged portion of the building shall not exceed \$1,000 or 2.5% of the amount of insurance on the building, whichever is greater.
- (2) With respect to any Additional Living Expense or Fair Rental Value coverages provided by this policy, the additional time required to tear down and rebuild the undamaged portion of the building shall not be considered when computing the loss on this portion of the coverage.

### 4. Loss to a Pair or Set.

In case of loss to a pair or set we may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between the **actual cash value** of the property before and after the loss.

### 5. Appraisal.

- a. If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located.
- b. The appraisers will separately set the amount of loss. If the appraisers submit a

written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

c. Each party will:

- (1) pay its own appraiser; and
- (2) bear the other expenses of the appraisal and umpire equally.

### 6. Other Insurance.

If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

### 7. Suit Against Us.

No action shall be brought unless there has been compliance with the policy provisions and the action is started within two years after the date of loss.

### 8. Our Option.

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

### 9. Loss Payment.

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Payment for loss will be made within 60 days after we receive your proof of loss and:

- a. reach an agreement with you; or
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

### 10. Abandonment of Property.

We need not accept any property abandoned by an **insured**.

### 11. Mortgage Clause.

- a. The word "mortgagee" includes trustee.
- b. If a mortgagee is named in this policy, any loss payable under **COVERAGE A** or **B** shall be paid to the mortgagee and you, as interests appear.

If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

c. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- (1) notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- (2) pays any premium due under this policy on demand if you have neglected to pay the premium;
- (3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to **Appraisal, Suit Against Us** and **Loss Payment** apply to the mortgagee.

d. If the policy is cancelled or not renewed by us, the mortgagee shall be notified at least 10 days before the date cancellation or nonrenewal takes effect.

e. If we pay the mortgagee for any loss and deny payment to you:

- (1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- (2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

f. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

#### 12. **No Benefit to Bailee .**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

#### 13. **Nuclear Hazard Clause .**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the **PERILS INSURED AGAINST** in **SECTION I**.

c. This policy does not apply under **SECTION I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

#### 14. **Recovered Property.**

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

#### 15. **Volcanic Eruption Period.**

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

## SECTION II - LIABILITY COVERAGES

### COVERAGE E - Personal Liability

If a claim is made or a suit is brought against an **insured** for damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies, we will:

1. pay up to our limit of liability for the damages for which the **insured** is legally liable. However, we will pay no more than \$10,000 for any claim made or suit brought against any **insured** for **bodily injury** or **property damage** caused by or contributed to by any animal owned by, or in the care, custody or control of, any **insured**. This limit is the maximum that we will pay for any one **occurrence**; and
2. provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the **occurrence** equals our limit of liability.

### COVERAGE F - Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than **residence employees**. As to others, this Coverage

applies only:

1. to a person on the **insured location** with the permission of an **insured**; or
2. to a person off the **insured location**, if the **bodily injury**:
  - a. arises out of a condition on the **insured location** or the ways immediately adjoining;
  - b. is caused by the activities of an **insured**;
  - c. is caused by a **residence employee** in the course of the **residence employee's** employment by an **insured**; or
  - d. is caused by an animal owned by or in the care of an **insured**.

## SECTION II - EXCLUSIONS

1. **COVERAGE E - Personal Liability** and **COVERAGE F - Medical Payments to Others** do not apply to **bodily injury** or **property damage**:

- a. that is expected or intended by an **insured**;
- b. arising out of **business** pursuits of an **insured** or the rental or holding for rental of any part of any premises by an **insured**.

This exclusion does not apply to:

- (1) activities which are usual to non-**business** pursuits; or
- (2) the rental or holding for rental of an **insured location**:
  - (a) on an occasional basis if used only as a residence;
  - (b) in part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
  - (c) in part, as an office, school, studio or private garage;
- c. arising out of the rendering or failing to render professional services;
- d. arising out of a premises:
  - (1) owned by an **insured**;
  - (2) rented to an **insured**; or
  - (3) rented to others by an **insured**;that is not an **insured location**;

This Exclusion d. does not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**;

- e. arising out of the ownership, maintenance, use, loading or unloading of:
  - (1) an aircraft, meaning any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
  - (2) **motor vehicle(s)** or all other motorized land conveyances, including trailers, owned or operated by, or rented or loaned to an **insured**; or
  - (3) watercraft:
    - (a) owned by or rented to an **insured** if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;
    - (b) powered by one or more outboard motors with more than 25 total horsepower, owned by an **insured** at the inception of this policy. If you report in writing to us within 45 days after acquisition, an intention to insure any outboard motors acquired prior to the policy period, coverage will apply; or
    - (c) designated as an airboat, air cushion, jet ski or similar type of craft.

This Exclusion e.(3), does not apply while the watercraft is stored.

Exclusion e. does not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**;

- f. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;
- g. arising out of:
  - (1) assault or battery committed by, or at the instigation or direction of, any **insured**, any employee of any **insured**, or any other person;

- (2) any act or omission by any **insured**, any employee of any **insured**, or any other person, in connection with the suppression or prevention of an assault or battery; or
  - (3) any assault or battery resulting from or arising out of the negligent hiring, supervision or training of any employee of an **insured**;
- h. arising out of physical, sexual abuse or molestation, or immoral or sexual behavior, whether caused by, at the instigation of, at the direction of, or omission by, any **insured**, any employee of any **insured**, or any other person;
  - i. arising out of the transmission of a communicable disease by any **insured** or by any other person for whom any **insured** is legally responsible;
  - j. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A., Sections 811 and 812. Controlled Substances include, but are not limited to, cocaine, LSD, marijuana and all narcotic drugs. However, this Exclusion (1.j.) does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
  - k. arising out of or connected to the following:
    - (1) use of the **residence premises**; or
    - (2) engagement of an **insured**, whether compensated or not;
 in any **business**, commercial or farming activity;
  - l. arising out of or connected to engagement of an **insured** in any home day care activity. This Exclusion (1.l.) applies even if the **insured** receives no compensation for such activity. Home day care activity does not include the care of an **insured** as defined in **AGREEMENT**, Definitions 6.a. or 6.b.;
  - m. arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:
    - (1) at or from premises that you own, rent, or occupy;
    - (2) at or from any site or location that you or others use:
      - (a) for the handling, storage, disposal, processing or treatment of waste;
      - (b) whether for you or for others;
- (3) for which you or any person or organization for whom you may be legally responsible:
    - (a) transports, handles, stores, treats, disposes of or processes as waste;
    - (b) whether for you or for others;
    - (c) at any time; or
  - (4) at or from any site or location on which operations are being performed by:
    - (a) an **insured**; or
    - (b) any contractors or subcontractors working directly or indirectly on your behalf;
 if:
    - (a) anyone brings **pollutants** on or to the site or location in connection with such operations; and
    - (b) the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.
- Waste includes materials to be recycled, reconditioned or reclaimed.
- n. arising out of any loss, cost or expense that results from any direction or request by any government or its agencies regarding **pollutants**. This includes direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**.
2. **COVERAGE E - Personal Liability**, does not apply to:
- a. liability assumed under any unwritten contract or agreement, or by contract or agreement in connection with any business of an **insured** ;
  - b. **property damage** to property owned by an **insured**;
  - c. **property damage** to property rented to, occupied or used by or in the care of an **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
  - d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law;

- e. **bodily injury** or **property damage** for which an **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors; or
  - f. **bodily injury** to you or an **insured** within the meaning of part a. or b. of "**insured**" as defined.
3. **COVERAGE F - Medical Payments to Others**, does not apply to **bodily injury**:
- a. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by an **insured**;
  - b. to any person, eligible to receive any benefits required to be provided or voluntarily provided under any worker's or workmen's compensation, non-occupational disability or occupational disease law;
  - c. from any nuclear reaction, radiation or radioactive contaminate, all whether controlled or uncontrolled or however caused, or any of these;
  - d. to any person other than a **residence employee** of an **insured**, regularly residing on any part of the **insured location**.
4. The following coverages do not apply to a claim of, or indemnification for, **punitive or exemplary damages**:
- a. **COVERAGE E**;
  - b. **COVERAGE F**.
- If anyone sues an **insured**;
- a. for a claim falling within coverage provided under the policy; and
  - b. seeking both compensatory and **punitive or exemplary damages**;
- then we will afford a defense to such action. However, we will have no obligation to pay for any costs, interest, or damages attributable to **punitive or exemplary damages**.
5. **COVERAGE E - Personal Liability and COVERAGE F - Medical Payments To Others** do not apply to:
- a. **bodily injury** arising from the ingestion, inhalation, or absorption of lead in any form.
  - b. **property damage** arising from any form of lead contamination.
  - c. any loss, cost, or expense arising from any request, demand or order that any **insured** or others:
    - (1) test for;
    - (2) monitor;
    - (3) clean up;
    - (4) remove;
    - (5) contain;
    - (6) treat;
    - (7) detoxify or neutralize; or
    - (8) in any way respond to, or assess the effects of, lead.
  - d. Any loss, cost, or expense arising from any claim or suit by or on behalf of a governmental authority for damages because of:
    - (1) testing for;
    - (2) monitoring;
    - (3) cleaning up;
    - (4) removing;
    - (5) containing;
    - (6) treating;
    - (7) detoxifying or neutralizing; or
    - (8) in any way responding to, or assessing the effects of lead.

## SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

### 1. **Claim Expenses.**

We pay:

- a. expenses incurred by us and costs taxed against an **insured** in any suit we defend;
- b. premiums on bonds required in a suit we defend, but not for bond amounts greater than the limit of liability for **COVERAGE E**

We need not apply for or furnish any bond;

- c. reasonable expenses up to \$50 per day incurred by an **insured** at our request, including actual loss of earnings but not loss of other income, for assisting us in the investigation defense of any claim or suit;
- d. interest on the entire judgment that accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies;
- e. prejudgment interest awarded against the **insured** on that part of the judgment we pay.

If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

## 2. **First Aid Expenses.**

We will pay for first aid to others incurred by an **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.

## 3. **Damage to Property of Others.**

- a. We will pay, at replacement cost, up to \$250 per **occurrence** for **property damage** to property of others caused by an **insured**.
- b. We will not pay for **property damage**:
  - (1) to the extent of any amount recoverable under **SECTION I** of this policy;
  - (2) caused intentionally by an **insured** who is 13 years of age or older;
  - (3) to property owned by or rented to an **insured**, a tenant of an **insured**, or a resident in your household; or
  - (4) arising out of:
    - (a) **business** pursuits;
    - (b) any act of omission in connection with a premises owned, rented or controlled by an **insured**, other than the **insured location**, or
    - (c) the ownership, maintenance, or use of a **motor vehicle**, or other motorized land conveyance, **aircraft** or watercraft.

## SECTION II - CONDITIONS

### 1. **Limit of Liability.**

- a. Our total liability under **COVERAGE E** for all damages resulting from any one **occurrence** shall not be more than the limit of liability for **COVERAGE E** stated in the Declarations. This limit is the same regardless of the number of **insureds**, claims made or persons injured.
- b. Our total liability under **COVERAGE F** for all medical expense payable for **bodily injury** to one person as the result of one accident will not be more than the limit of liability for **COVERAGE F** stated in the Declarations.

### 2. **Severability of Insurance.**

This insurance applies separately to each **insured**. This condition will not increase our limit of liability for any one **occurrence**.

### 3. **Duties After Loss.**

In case of an accident or **occurrence**, the **insured** will perform the following duties that apply. You will help us by seeing that these duties are performed:

- a. give written notice to us or our agent as soon as is practical, which sets forth:
  - (1) the identity of the policy and **insured**;
  - (2) reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
  - (3) names and addresses of any claimants and witnesses;
- b. promptly forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
- c. at our request, help us:
  - (1) to make settlement;
  - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured**;
  - (3) with the conduct of suits and attend hearings and trials;
  - (4) to secure and give evidence and obtain the attendance of witnesses;
- d. under **SECTION II - ADDITIONAL COVERAGES, Damage to Property of Others**, submit to us within 60 days after

the loss, a sworn statement of loss and show the damaged property, if in an **insured's** control;

- e. the **insured** will not, except at the **insured's** own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the **bodily injury**.

4. **Duties of an Injured Person - Coverage F - Medical Payments to Others.**

- a. The injured person or someone acting for the injured person will:
  - (1) give us written proof of claim, under oath if required, as soon as is practical; and
  - (2) authorize us to obtain copies of medical reports and records.
- b. The injured person shall submit to physical examination by a doctor of our choice when and as often as we reasonably require.

5. **Payment of Claim - Coverage F - Medical Payments of Others.**

Payment under this coverage is not an admission of liability by an **insured** or us.

6. **Suit Against Us.**

- a. No action can be brought against us unless there has been compliance with the policy provisions.
- b. No one will have any right to join us as a party to any action against an **insured**. Also, no action with respect to **COVERAGE E** can be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.**

Bankruptcy or insolvency of an **insured** will not relieve us of our obligations under this policy.

8. **Other Insurance - Coverage E - Personal Liability.**

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

**SECTION I AND SECTION II - CONDITIONS**

1. **Policy Period.**

This policy applies only to loss under **SECTION I** or **bodily injury** or **property damage** under

**SECTION II** that occurs during the policy period.

2. **Concealment or Fraud.**

We do not provide coverage for an **insured** who has:

- a. intentionally concealed or misrepresented any material fact or circumstances; or
- b. made false statements or engaged in fraudulent conduct relating to this insurance.

3. **Liberalization Clause.**

If we adopt a revision which would broaden the coverage under this policy without additional premium within 60 days prior to us or during the policy period, the broadened coverage will immediately apply to this policy.

4. **Waiver or Change of Policy Provisions.**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

5. **Cancellation.**

- a. You may cancel this policy at any time by returning to us or by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel this policy at any time by letting you know in writing at least 10 days before the cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Non-Renewal.**

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

7. **Assignment.**

Assignment of this policy shall not be valid unless we give our written consent.

8. **Subrogation.**

- a. An **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
- b. If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.
- c. Subrogation does not apply under **SECTION II to Medical Payments to Others or Damage to Property of Others.**

9. **Death.**

If any person named in the Declarations or the spouse, if a resident of the same household, dies:

- a. we insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;
- b. **insured** includes:
  - (1) any member of your household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and
  - (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

IN WITNESS WHEREOF, we have caused this policy to be signed by its President and Secretary, at Amelia, Ohio, and countersigned in the Declarations by a duly authorized representative of the Company.



Chairman, President and CEO



Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS ROOF EXCLUSION ENDORSEMENT - ARKANSAS

It is expressly understood and agreed between American Modern Insurance Group, Inc., the **insured** and other interested parties, that perils insured under this policy under **SECTION I - PERILS INSURED AGAINST** are limited to the extent that **NO COVERAGE** is provided for damage to the roof of the **residence premises**, nor to interior damage resulting from, or occasioned by the roof of the **residence premises**.

If during the term of this contract the roof of the **residence premises** is replaced by new roofing, and written notice of same is made to American Modern Insurance Group, Inc., this endorsement is null and void.

All other terms and conditions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HOMEOWNERS 10 POLICY ENHANCED COVERAGE - ARKANSAS

### DEFINITIONS

The following definition are added:

**"Mold"** means any mold, fungi, organic pathogen, bacteria, virus or their spores, scent or byproducts of any type or nature that cause, threaten to cause, or are alleged to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause, threaten to cause, or are alleged to cause harm of any type to any living organism. This includes, but is not limited to, any type of mold that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot, mildew and others).

**"Remediation"** means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose or in any way respond to or assess the effects of **mold**.

### SECTION I - PROPERTY COVERAGES

The following is added:

#### WATER DAMAGE LIMITATION

1. The most we will pay for any covered **water damage loss**, including ensuing loss, damage, or **remediation** costs is 10% of the **COVERAGE A - Dwelling** limit shown on the Declarations Page, subject to an annual aggregate limit of \$10,000. This is not additional insurance, and does not increase the limit of liability for **COVERAGE A - Dwelling, COVERAGE B - Other Structures, COVERAGE C - Personal Property, or COVERAGE D - Loss of Use**.
2. For the purposes of this WATER DAMAGE LIMITATION, **"water damage loss"** means any covered loss payable under **COVERAGE A, COVERAGE B, COVERAGE C, COVERAGE D, and/or ADDITIONAL COVERAGES** resulting from:
  - a. wind-driven rain, snow or sleet; or
  - b. sudden and accidental discharge of water or steam from within a plumbing, heating or air conditioning system or household appliance.

#### ADDITIONAL COVERAGES

The following Item 7. is added:

##### **Collapse**

- a. With respect to this **ADDITIONAL COVERAGE**:
  - (1) collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
  - (2) a building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) a part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

- (4) a building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
  - (1) **SECTION I - PERILS INSURED AGAINST;**
  - (2) decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
  - (3) insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
  - (4) weight of contents, equipment, animals or people;
  - (5) weight of rain that collects on a roof; or
  - (6) use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under b.(2) through b.(6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

The following Item 8. is added:

**Glass Or Safety Glazing Material**

- a. We cover:
  - (1) the breakage of glass or safety glazing material that is part of a covered building, storm door or storm window; and
  - (2) the direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material that is part of a building, storm door or storm window.
- b. This coverage does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

**SECTION I - PERILS INSURED AGAINST**

The following perils are added:

**11. Falling Objects**

This peril does not include loss to the inside of a building or property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

## 12. Weight Of Ice, Snow Or Sleet

- a. This peril means weight of ice, snow or sleet that causes damage to a building or property contained in a building.
- b. This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

## 13. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay to tear out and replace any part of the building, or other structure, on the **residence premises**, but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the **residence premises**.
- b. This peril does not include loss:
  - (1) on the **residence premises**, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
  - (2) to the system or appliance from which the water or steam escaped;
  - (3) caused by or resulting from freezing, including water freezing in or escaping from any portion of the plumbing, heating or air conditioning systems located within or beneath foundations, patios, swimming pools or other cement type encasements or coverings;
  - (4) on the **residence premises** caused by accidental discharge or overflow that occurs off the **residence premises**;
  - (5) caused by **mold**, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure;
  - (6) caused by continuous or repeated seepage or leakage of water;
  - (7) caused by the presence or condensation of humidity, moisture or vapor unless caused by a covered loss.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. **SECTION I - EXCLUSIONS**, Exclusion 3., **Water Damage**, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

## 14. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

- a. This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.
- b. This peril does not include loss caused by or resulting from freezing.

15. **Sudden And Accidental Damage From Artificially Generated Electrical Current**

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. **Freezing Of A Plumbing, Heating, Air Conditioning Or Automatic Fire Protective Sprinkler System Or Of A Household Appliance:**

This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliance of water.

All other provisions of this policy apply.



AMERICAN MODERN SELECT  
INSURANCE COMPANY

November 5, 2007

ARKANSAS INSURANCE DEPARTMENT  
PROPERTY & CASUALTY DIVISION  
1200 W 3RD ST  
LITTLE ROCK AR 72201-1904

RE: American Modern Select Insurance Company  
Specialty Homeowner HO-10 Program  
Initial Form Filing  
Company File number: 20070601-09  
NAIC Number: 38652

Dear Reviewer,

On behalf of American Modern Home Insurance Company I would like to address questions and concerns you have regarding our HO-10 filing submission. I will address these questions in order which they were presented.

**Question 1)**

Please revise the water damage limitation language to remove wind-driven rain, snow or sleet. We will allow the limitation if it applies only to the sudden and accidental discharge of water.

**Answer:** Please see the revised endorsement ST303 (10/07) which is attached.

**Question 2)**

Has policy form ST000 been previously approved in AR? If not, please attach it under the form schedule for formal review.

**Answer:** No, this is a new submission. I have attached a copy of the policy to the form schedule tab for your review.

I hope that I have answered your questions about this program and appreciate the time you have taken to review our filing.

If you should have any further questions or concerns regarding this submission please feel free to contact me by phone at 1-800-759-9008 Ext. 5953 or via email at KMahaffey@amig.com.

Sincerely,

*Krista N. Mahaffey*

Krista N. Mahaffey  
Compliance Analyst

EXECUTIVE OFFICES / 7000 MIDLAND BOULEVARD / AMELIA, OHIO 45201-2607  
MAILING ADDRESS / P.O. BOX 5323 / CINCINNATI, OHIO 45201-5323 / TEL. (513) 943-7200