

## Filing at a Glance

Company: American Central Insurance Company

Product Name: Personal Inland Marine	SERFF Tr Num: CLTR-125235790	State: Arkansas
TOI: 09.0 Inland Marine	SERFF Status: Closed	State Tr Num: AR-PC-07-025508
Sub-TOI: 09.0006 Other Personal Inland Marine	Co Tr Num: CB 05 01 CB AR FORM	State Status:
Filing Type: Form	Co Status:	Reviewer(s): Alexa Grissom, Betty Montesi, Brittany Yielding
	Authors: Stephanie Young, Linda Ryan-James	Disposition Date: 07-31-2007
	Date Submitted: 07-20-2007	Disposition Status: Approved
Effective Date Requested (New): 11-01-2007		Effective Date (New): 11-01-2007
Effective Date Requested (Renewal): 11-01-2007		Effective Date (Renewal):

## General Information

Project Name: Classic Boat Program	Status of Filing in Domicile: Pending
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 07-31-2007	
State Status Changed: 07-20-2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

On behalf of American Central Insurance Company, Coulter and Associates is filing the Inland Marine Forms portion of their new Classic Auto Program. Filings for the liability/medical portion of this new program are being filed under separate cover (SERFF Tracking #CLTR-125197376). Under this program, Comprehensive coverage is mandatory and Liability and First Party Medical coverages are optional.

This is a new specialty auto program with new rates, rules and forms and is not a continuation of the currently filed program. We are requesting an effective date of 11/1/07.

This program is designed to provide an enhanced auto insurance product to car enthusiasts who own and operate collector vehicles. The source used for this new program is the program filed by and approved for Encompass Indemnity Company effective 7/1/07. The new program is the same as Encompass program with no deviations except for a new option to increase the spare parts basic limit, as well as enhanced coverages at no additional premium via two new endorsements.



## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Alexa Grissom	07-31-2007	07-31-2007

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending	Alexa Grissom	07-26-2007	07-26-2007

Industry  
Response

#### Response Letters

Responded By	Created On	Date Submitted
Stephanie Young	07-30-2007	07-30-2007

## Disposition

Disposition Date: 07-31-2007

Effective Date (New): 11-01-2007

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Approved	Yes
<b>Supporting Document</b>	Authorization to File	Approved	Yes
<b>Supporting Document</b>	Certificate of Compliance	Approved	Yes
<b>Supporting Document</b>	Readability Certification	Approved	Yes
<b>Supporting Document</b>	Inland Marine Checklist	Approved	Yes
<b>Supporting Document</b>	Cover Letter	Approved	Yes
<b>Form</b>	Accidental Fuel Spillage Coverage	Approved	Yes
<b>Form</b>	Additional Insured Endorsement	Approved	Yes
<b>Form</b>	Amendatory Endorsement	Approved	Yes
<b>Form</b>	Classic Boat Policy	Approved	Yes
<b>Form</b>	Electronic Equipment Deductible	Approved	Yes
<b>Form</b>	Hurricane Protection Endorsement	Approved	Yes
<b>Form</b>	In Water Port Risk	Approved	Yes
<b>Form</b>	Navigational Territory Endorsement	Approved	Yes
<b>Form</b>	Out of Water Port Risk	Approved	Yes
<b>Form</b>	Outboard Motors	Approved	Yes
<b>Form</b>	Salvage Charges	Approved	Yes
<b>Form</b> ( <i>revised</i> )	State Conformance Endorsement	Approved	Yes
<b>Form</b>	State Conformance Endorsement	Approved	Yes

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 07-26-2007  
Submitted Date 07-26-2007

Dear Stephanie Young,

This will acknowledge receipt of the captioned filing. The policy should be amended to comply with Bulletin 10-2002.

Please feel free to contact me if you have questions.

Sincerely,  
Alexa Grissom

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 07-30-2007  
Submitted Date 07-30-2007  
Dear Alexa Grissom,

Comments:

### Response 1

Comments: This is in response to your objection letter dated 7/26/07.

The attached State Conformance Endorsement (CB 01 04 04 07) is revised to comply with Bulletin 10-2002.

If you have any questions or need any additional information, please contact me at (609) 443-7540. Otherwise, we look forward to your approval.

No Supporting Documents have changed.

### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score
State Conformance Endorsement	CB 01 04	04 07	Endorsement/Amendment/Conditions	New		0

No Rate/Rule Schedule Item Changes

Created by SERFF on 07-31-2007 10:21 AM

Sincerely,

Linda Ryan-James, Stephanie Young

**Form Schedule**

<b>Review Status</b>	<b>Form Name</b>	<b>Form #</b>	<b>Edition Date</b>	<b>Form Type Action</b>	<b>Action Specific Data</b>	<b>Readability</b>	<b>Attachment</b>
Approved	Accidental Fuel Spillage Coverage	CB 03 01	04 07	Endorsement/Amendment/Conditions New		0.00	CB03010407 -Accidental Fuel Spillage Coverage.pdf
Approved	Additional Insured Endorsement	CB 03 03	04 07	Endorsement/Amendment/Conditions New		0.00	CB03030407 -Additional Insured Endorsement.pdf
Approved	Amendatory Endorsement	CB 02 04	04 07	Endorsement/Amendment/Conditions New		0.00	CB02040407 -Amendatory Endorsement.pdf
Approved	Classic Boat Policy	CB 05 01	04 07	Policy/Coverage Form New		0.00	CB05010407 -Classic Boat Policy.pdf
Approved	Electronic Equipment Deductible	CB 07 01	04 07	Endorsement/Amendment/Conditions New		0.00	CB07010407 -Electronic Equipment Deductible.pdf
Approved	Hurricane Protection Endorsement	CB 08 01	04 07	Endorsement/Amendment/Conditions New		0.00	CB08010407 -Hurricane Protection Endorsement.pdf
Approved	In Water Port Risk	CB 09 01	04 07	Endorsement/Amendment/Conditions New		0.00	CB09010407 -In Water Port Risk.pdf
Approved	Navigational Territory Endorsement	CB 11 01	04 07	Endorsement/Amendment/Conditions New		0.00	CB11010407 -Navigational Territory Endorsement.pdf
Approved	Out of Water Port Risk	CB 12 01	04 07	Endorsement/Amendment/Conditions New		0.00	CB12010407 -Out of Water Port Risk.pdf

Approved	Outboard Motors	CB 13 01	04 07	Endorsement/Amendment/Conditions	New	0.00	CB13010407 -Outboard Motors.pdf
Approved	Salvage Charges	CB 16 01	04 07	Endorsement/Amendment/Conditions	New	0.00	CB16010407 -Salvage Charges.pdf
Approved	State Conformance Endorsement	CB 01 04	04 07	Endorsement/Amendment/Conditions	New	0.00	CB01040407 -State Conformance Endorsement-AR Rev.pdf
Approved	State Conformance Endorsement	CB 01 04	04 07	Endorsement/Amendment/Conditions	New	0.00	CB01040407 -State Conformance Endorsement-AR.pdf



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **ACCIDENTAL FUEL SPILL COVERAGE**

### **SECTION B – WATERCRAFT LIABILITY COVERAGE**

Under Section B – Watercraft Liability Coverage, the Pollution provision is deleted and replaced by the following for an additional premium:

#### **Pollution**

We will pay the reasonable cost for the proper containment, clean up and resulting property damage caused by any “accidental fuel spill” that comes from the covered boat for which the Named Insured is legally responsible provided you:

1. immediately notify the United States Coast Guard, or other appropriate local, state or federal authority of the fuel spill as required by the law;
2. take appropriate action as soon as possible including making any necessary temporary repairs to fix the cause of the spill and prevent further spillage; and
3. provide all reasonable cooperation and assistance requested by a responsible official in connection with the containment or clean up of the fuel spill.

For purposes of this coverage, "accidental fuel spill" means the unintentional discharge, spillage or leakage of petroleum based fuel, oil or lubricants which are required for the normal operation and use of the covered boat.

The most we will pay for any loss, damage or expenses caused by an “accidental fuel spill” that is covered by this policy is the Amount of Insurance for Accidental Fuel Spill Coverage as shown in the Declarations Page. This coverage is included as part of the Watercraft Liability Coverage, but does not increase our limit of liability for any occurrence covered by this policy.

This coverage does not apply to any liability caused by or resulting from any intentional act or willful misconduct of any insured; any claim for punitive damages, or any fines, penalties or cost of defense arising out of a criminal or civil violation of law or assessment by a governmental authority; or any liability which has been assumed by an insured under any contract or agreement whether oral or written.

All other conditions of this policy apply.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **ADDITIONAL INSURED**

The following is added to Section B Watercraft Liability Coverage.

#### **Additional Insured**

It is agreed that the additional insured listed on the declarations is added to this policy, but only as their interest may appear in your boat(s) listed under Section A of the Classic Boat Policy Declarations. This insurance is subject to the following additional provisions:

1. We will pay damages for which the additional insured becomes legally responsible only if the damages arise out of acts or omissions of you or any "family member".
2. We do not surrender any of our rights of subrogation under this policy.

All other terms and conditions of this policy remain unchanged.

## AMENDATORY ENDORSEMENT - ARKANSAS

The "General Rules" of your Classic Boat Policy is amended to incorporate the rule entitled "Appraisal" in its entirety as follows:

### **Appraisal**

If we and you do not agree on the amount of loss, an appraisal of the loss may be made. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will set 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. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

All other terms and conditions of your policy attached hereto remain unchanged.

---

# CLASSIC BOAT POLICY

	Beginning on Page
<b>AGREEMENT</b> .....	1
<b>DEFINITIONS</b> .....	1
<b>General Rules</b> , including: Policy Period and Territory Duties After an Accident or Loss Payment of Loss Cancellation .....	1
<b>Section A</b> - Coverage for Loss or Damage to Your Insured Property .....	3
<b>Sections B and C</b> - Watercraft Liability Coverage Federal Longshoremen's and Harbor Workers' Compensation Insurance .....	4
<b>Section D</b> - Medical Payments Coverage .....	6
<b>Section E</b> - Boat Trailer Insurance .....	6
<b>Section F</b> - Uninsured Boaters Coverage .....	6

State Conformance Endorsement: Amendments if required by Law

## CLASSIC BOAT POLICY AGREEMENT

In return for payment of the premium and subject to all the terms of this policy, we will provide the coverages you have selected. All of this information is shown in the Declarations which is part of this policy.

### DEFINITIONS

"We," "Us" and "Our" mean the company named on the Declarations Page.

"You" and "your" mean the insured(s) listed on the Declarations Page and spouse if a resident of the same household.

"Your Insured Property" is defined as:

1. Each boat shown on the Declarations Page, including spars, sails, machinery, dinghies, outboard motors, and other equipment normally required for the operation or maintenance of the Boat(s). Equipment includes only those items having a primary use on the Boat(s) and shall not include Furniture, Fine Art and Personal Effects.
2. Fine Arts and Antiques are defined as objects aboard the Boat(s) of rare, unique or historical value. Fine Arts and Antiques are covered separately from Equipment and Personal Effects under Section A.
3. Personal Effects of the Insured are defined as personal items, clothing, fishing gear and sports equipment temporarily brought aboard the Boat(s) by the Insured (except cash, checks, securities, jewelry, furs and any documents). Personal Effects are covered under Section A and are subject to a \$100 deductible.

4. Boat Trailer(s) is defined as the trailer(s) shown on the Declarations Page and covered as shown under Section E.

"Insured" is defined as you, a family member, or any person or organization using the Boat(s) with your permission free of charge. It does not include a paid captain or crew member, or any person or organization operating, or employed by a marina or sales agency, boat repair or ship yard, yacht club, boat service station or any similar organization.

"Family Member" means the following residents of your household:

1. your relatives;
2. any other person under the age of 21 if in the care of any person named above.

"Boat(s)" is defined as: the boat(s) shown on the Declarations Page.

"Outboard Motor(s)" is defined as: the outboard motor(s) shown on the Declarations Page.

"Dinghy(s)" is defined as: a watercraft of 16 feet or less, which is powered by a motor of 25 horsepower or less.

### GENERAL RULES

These rules apply to the entire policy unless we notify you to the contrary.

#### **Private Pleasure Use**

Coverage will be suspended if Your Insured Property is used:

1. for charter or hire;
2. to carry persons or property for a fee, or for any commercial use unless prior written consent has been obtained from us; or
3. for any illegal act by any person.

#### **Transfer of Interest**

Coverage will no longer apply upon:

1. the sale;
2. assignment; or
3. transfer of your interest in Your Insured Property unless prior written consent has been obtained from us.

#### **Concealment or Fraud**

Coverage will be void if you intentionally conceal or misrepresent any material fact relating to this insurance before or after a loss

#### **Dishonesty**

We will **not** pay for loss or damage caused by any dishonest act of any Insured to whom Your Insured Property is entrusted, other than your employee(s) or representative(s).

#### **Intentional Acts**

We will **not** pay for bodily injury or property damage or damage to Your Insured Property which is expected or intended by an Insured.

#### **Benefit to Others**

No person or organization having custody of Your Insured Property and being paid for services shall benefit from this insurance.

### **Racing**

There is no coverage under this policy while your **power** Boat(s), herein defined as "a boat whose principle source of propulsion is an engine," is participating in or practicing for a speed race or speed test in competition with others.

### **Radioactive Exclusion**

We will **not** pay for loss due to or as a consequence of:

1. radioactive contamination;
2. discharge of any nuclear weapon (even if accidental).

### **F. C. & S. Clause**

The insurances afforded by this policy are warranted free from any claim for loss, damage or expense caused by or resulting from capture, seizure, arrest, restraint or detainment, or the consequences thereof or of any attempt thereat, or any taking of the Boat(s), by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise, also from all consequences of hostilities or warlike operations (whether there be a declaration of war or not), but the foregoing shall not exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object (other than mine or torpedo), stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the Boat(s) concerned or, in the case of collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power, and for the purpose of this warranty, power includes any authority maintaining naval, military or air forces in association with a power; also warranted free, whether in time of peace or war, from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter.

Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

### **Abandonment**

There can be no abandonment of Your Insured Property to us.

### **Policy Period and Territory**

This policy applies only to loss or damage which occurs:

1. During the policy period as shown on the Declarations Page; and,
2. Within the policy territory.

The policy territory is (unless shown differently on the Declarations Page):

1. the United States of America;
2. the District of Columbia;

3. Canada; and,
4. their territorial waters, as defined by the U.S. Coast Guard.

### **Changes**

This policy contains all the agreements between you and us.

1. No changes may be made unless they are in writing signed by us.
2. If we revise our Classic Boat Policy to broaden any coverage, we will interpret outstanding policies as providing the broader coverage, as of the effective date of such revision.

### **Salvage**

If there is a loss and we make a payment under this policy for that loss or damage, and there is salvage as a result of that loss or damage, we have the right to that salvage.

### **Duties After an Accident or Loss**

You must notify us immediately of how, when and where the accident or loss happened. Written notice must be given to us as soon as practicable but no more than 90 days after the date of loss. Written notice should also include the names and addresses of any injured persons and of any witnesses. You must file an accident report with the proper Police or Coast Guard authority as appropriate.

A person making any claim must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit;
2. Agree to be examined under oath at our request;
3. Promptly send us copies of any notices or legal papers received in connection with the accident or loss;
4. Submit, at our expense and as often as we reasonably require, to physical examinations by physicians we select;
5. Authorize us to obtain:
  - a. medical reports, and
  - b. other pertinent records;
6. Submit a sworn statement in proof of loss at our request;
7. Take reasonable steps after a loss to protect Your Insured Property from further loss. We will pay reasonable expenses to do this up to the limit of Section A of the Declarations; and,
8. Allow us to inspect and appraise all damaged property, not stolen or otherwise unrecoverable, before it is repaired or disposed of.

### **Payment of Loss**

Payment of loss, with all your indebtedness to us being first deducted, will be made within 30 days after we either reach agreement with you, a final judgment is entered in the court, or an arbitration award is filed with us.

If we pay a total loss or constructive total loss for any Boat(s) shown on the Declarations Page, all coverage under this policy for such Boat(s) will terminate simultaneously upon payment of the loss. In that event the policy premium shall be fully earned as respects such Boat(s).

### **Interest**

In addition to our Limit of Liability we will pay, on behalf of an Insured, interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our Limit of Liability for this coverage.

### **Rights of Recovery**

In the event of any payment under this policy we will be subrogated to all your rights of recovery thereto against any person or organization, and you will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You will do nothing after loss to prejudice such rights.

### **Legal Action Against Us**

1. No legal action may be brought against us unless the policy provisions have been complied with.
2. No one has the right to join us as a party to any action against an Insured or bring us into any such action.
3. Suit or action must start within 12 months of the date of loss.

### **Other Insurance**

If the Insured has any other insurance against a loss, damage, liability or expense covered by this policy, we shall not be liable hereunder for a greater proportion of any such loss, damage, liability or expense than the amount insured hereunder bears to the total of all valid and collectible insurance against such loss, damage, liability or expense.

### **Other Insurance Warranty**

It is warranted that you will not insure excess or increased value of hull and machinery, or other total loss policy, proof of interest or full interest admitted insurances.

### **Bankruptcy or Death**

If you are declared bankrupt, insolvent or if you die, this policy covers your legal representatives during the rest of the policy period, subject to all policy provisions.

### **Extension of Coverage**

If the Policy Territory or Lay-Up Warranty shown on the Declarations Page are breached due to matters beyond your control, the policy will remain in effect, but only if you give us written notice of the breach within 10 days after the breach and pay any additional premiums due us for this extension of coverage. If the Policy Territory or Lay-Up Warranty are breached voluntarily there shall be no coverage under this policy without both prior notice to us and approval by us.

### **Cancellation**

You may cancel this policy by returning it to us or by giving us advance written notice of the date cancellation is to take effect.

We may cancel this policy by mailing notice to you at your address as shown on the Declarations Page and giving:

1. at least 10 days notice if cancellation is for nonpayment of premium;
2. at least 30 days notice in all other cases.

The cancellation date shown in our notice will be the date all coverage under this policy ends.

If this policy is cancelled, you may be entitled to a premium refund. If we cancel the policy, any return premium will be computed on a pro rata basis.

If you cancel the policy, any return premium will be computed on a short rate basis. Any return premium will be paid to you as soon as possible after the cancellation.

## **SECTION A - COVERAGE FOR LOSS OR DAMAGE TO YOUR INSURED PROPERTY**

### **Insuring Agreement**

We will pay for accidental, direct physical loss or damage to Your Insured Property except as specifically excluded in this policy.

### **Limits of Liability**

Our Limit of Liability for loss will be the lesser of the:

1. AGREED AMOUNT of the stolen or damaged property; or,
2. Amount necessary to repair or replace the property; or,
3. Amount(s) shown in Section A of the Declarations Page.

### **Exclusions**

The following exclusions apply to Section A coverage.

We will **not** pay for loss or damage caused by or resulting from:

1. neglect;
2. wear and tear;
3. latent defect;
4. gradual deterioration;
5. weathering;
6. insects;
7. vermin;
8. marine life;

9. inherent vice;
10. mold;
11. corrosion, including electrolysis;
12. mechanical breakdown;
13. ice and freezing;
14. theft or mysterious disappearance of equipment or accessories otherwise covered under this policy, unless occurring with theft of entire Boat(s) or unless there is visible evidence of forcible entry or forcible removal; and
15. cracking, crazing, or blistering of the hull and deck, gelcoat or raw hull material, whether such deterioration, cracking, crazing, or blistering is a) determined before, after, or during the time this policy is in force, or b) a result of natural aging, original manufacture, or any and every process used to maintain or repair the hull. This exclusion (15.) applies only to those boat(s) shown on the Declarations Page of the Policy which have a principal hull material consisting of any type of material other than wood.

### **Repairs and Replacement**

Our liability for repaired damage will not be more than the cost to repair or replace the damaged property in accordance with accepted shipyard repair practices.

The amount we will pay for a total loss, or constructive total loss, of the Boat(s) shall be reduced by any amount previously paid for repairs not completed at the time of the total loss.

We will pay you for constructive total loss of your Boat(s) if the cost of recovering and repairing your Boat(s) is greater than the value of the Boat(s) as indicated in Section A of the Declarations Page.

In no event shall the cost to repair or replace damaged sails, protective covers, upholstery, outboard motors, outdrive units, batteries or dinghies exceed their actual cash value at the time of loss.

### **Fine Arts and Antiques**

Fine Arts and Antiques are covered together in a total amount up to 10% of the value for each Boat(s) listed on the Declarations Page.

## **SECTIONS B AND C - WATERCRAFT LIABILITY COVERAGE Including Federal Longshoremens and Harbor Workers' Compensation**

### **Insuring Agreement**

We will pay for bodily injury or property damage you become legally obligated to pay because of the ownership, maintenance or use of the Boat(s). This includes your legal obligation for removal or destruction of Your Insured Property.

We will settle or defend, as we see fit, any claim or suit asking for these damages. Our duty to

### **Personal Effects**

Personal Effects of the Insured as defined in the Definitions Section are covered for their actual cash value up to the amount shown in Section A of the Declarations Page.

### **Deductible**

We will adjust each claim for a covered loss to your insured property separately. The amount of each adjusted claim will be automatically reduced by the deductible amount shown on the Declarations Page, except if there is a total loss to your boat. We will treat any two or more covered losses resulting from the same accident or occurrence as one claim.

### **Salvage Charges**

We will pay for salvage charges where properly incurred arising from a covered loss, but not to exceed the amount of insurance stated in Section A of the Declarations Page. This coverage is included as part of the coverage afforded under Section A of this policy but does not increase the total amount of insurance afforded under this Section.

### **Commercial Towing and Assistance Coverage**

We will provide coverage not to exceed the limit shown in the Declarations Page for this coverage in the event there is an emergency situation where your boat is disabled. We will reimburse you for the reasonable costs you incur resulting from the following services to your boat if help is not available and you must obtain commercial assistance:

1. towing to the nearest place where necessary repairs can be made; or
2. delivery of gas, oil, parts or loaned battery (excluding the cost of these items themselves) or emergency labor while away from safe harbor.

### **Equipment on Shore**

We will provide coverage for any insured equipment removed temporarily from your boat for storage on shore. The amount of insurance on the boat will be reduced by the amount covered on shore.

settle or defend ends when the amount we pay for damages equals our Limit of Liability for this coverage.

### **Paid Crew Liability**

We will provide coverage not to exceed the limit shown in the Declarations Page for this coverage for paid crew as defined under general Maritime Law.

**Limits of Liability**

The Limit of Liability shown in Section B of the Declarations Page is the most we will pay under this Section for all claims resulting from an accident or a series of accidents arising out of the same event.

**Costs**

We will pay, in addition to the Limit of Liability as shown in Section B of the Declarations Page, all defense costs incurred by us in any suit against you arising out of the ownership, maintenance or use of the Boat(s).

**Use of Other Boats**

Under this Section, Boat(s) also is defined as any other Boat(s) not owned and not used on a regular basis by you or a family member. Use of the other Boat(s) must be without charge, for private pleasure use only, and with the owner's permission. However, this extension of coverage shall not apply to property damage to such "non-owned" Boat(s). If there is other insurance for the non-owned Boat(s) this insurance shall apply as excess over the other insurance.

**Pollution**

We will pay the reasonable cost for the proper containment, clean up and resulting property damage caused by any accidental fuel spill that comes from the covered boat for which the Named Insured is legally responsible provided you:

1. immediately notify the United States Coast Guard, or other appropriate local, state or federal authority of the fuel spill as required by the law;
2. take appropriate action as soon as possible including making any necessary temporary repairs to fix the cause of the spill and prevent further spillage; and
3. provide all reasonable cooperation and assistance requested by a responsible official in connection with the containment or clean up of the fuel spill.

**SECTION C - FEDERAL LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION INSURANCE**

We will pay for any liability you may incur under the Federal Longshoremen's and Harbor Workers' Act.

We will:

1. comply with the provisions of Public Act #803 and its rules and amendments; and,

For purposes of this coverage, "accidental fuel spill" means the unintentional discharge, spillage or leakage of petroleum based fuel, oil or lubricants which are required for the normal operation and use of the covered boat.

The most we will pay for any loss, damage or expenses caused by an accidental fuel spill that is covered by this policy is the Amount of Insurance for Boat Liability Coverage as shown in the Declarations Page, or \$15,000, whichever is less. This coverage is included as part of the Boat Liability Coverage, but does not increase our limit of liability for any occurrence covered by this policy.

This coverage does not apply to any liability caused by or resulting from any intentional act or willful misconduct of any insured; any claim for punitive damages, or any fines, penalties or cost of defense arising out of a criminal or civil violation of law or assessment by a governmental authority; or any liability which has been assumed by an insured under any contract or agreement whether oral or written.

All other conditions of this policy apply.

**Exclusions**

We do not provide liability coverage for:

1. liability assumed by you under any contract;
2. injuries if benefits are provided or should have been provided under any provincial, state or federal compensation or disability law or act other than the United States Federal Longshoremen's and Harbor Workers' Compensation Act;
3. bodily injury or property damage resulting from the ownership, maintenance, use, loading or unloading of any motor vehicle;
4. others to cover their liability to you, nor do we cover the liability of any Insured to another Insured;
5. while the Boat(s) is being used for scuba diving activities or parasailing.

2. comply with the rules and regulations of the United States Department of Labor relating to this act.

Your bankruptcy will not affect this coverage.

**SECTION D - MEDICAL PAYMENTS COVERAGE**

**Insuring Agreement**

We will pay reasonable expenses for:

1. medical;
2. ambulance;
3. hospital;
4. professional nursing; or

5. funeral costs incurred within one year from the date of an accident causing bodily injury to any person, while in, boarding or leaving the Boat(s).

**Limits of Liability**

We will pay no more than the amount of insurance shown on the Declarations Page for Medical Payments, for each person injured as a result of any one accident or series of accidents arising out of the same event.

**SECTION E - BOAT TRAILER INSURANCE**

Your Boat Trailer is covered for physical damage only.

We cover your Boat Trailer, less deductible, for up to the amount of insurance specified in Section E on the Declarations Page.

**Exclusions**

We will not pay medical expenses for:

1. any person for whom benefits are provided or should have been provided under any provincial, state or federal compensation or disability law or act including the United States Federal Longshoremen's and Harbor Workers' Compensation Act;
2. any person who is a trespasser;
3. any person who is your employee engaged in the maintenance or repair of the Boat(s);
4. any person injured while the Boat(s) is being transported in or on any carrier.

Coverage is subject to all the applicable terms and conditions of this policy.

In no event shall the cost to repair or replace a damaged trailer exceed its actual cash value at the time of loss.

**SECTION F - UNINSURED BOATERS COVERAGE**

**Insuring Agreement**

We will pay for the damages which, because of bodily injury received aboard your boat, you are legally entitled to recover from the uninsured owner or operator of another boat.

"Uninsured Boater" means any owner or operator of a boat, other than the boat named in this policy, who is legally responsible for the accident and:

- a. to whom no liability policy applies; or
- b. who cannot be identified, such as a hit-and-run operator.

**Limits of Liability**

The limit of liability that is shown in Section F of the Declarations Page is the most we will pay under this section, regardless of the number of insured persons, claims made, or boats involved in any one accident or series of accidents arising out of the same event. This coverage will not apply directly or indirectly to the benefit of any insurer under any state or federal compensation law or act. Payment made for this coverage to or for an insured person will reduce the amount that person is entitled to recover from the Liability coverage of this policy.

**Exclusions**

We do not provide Uninsured Boaters Coverage for:

1. claims settled without our written consent;
2. if the uninsured boat is owned by a governmental agency or unit;
3. boats owned by or furnished for your regular use, or the use of a member of your immediate family or any person insured by this policy;
4. an insured using a boat without permission; or
5. where no evidence of physical contact exists between your boat and an unidentified boat or where no evidence of physical contact exists between your boat and an uninsured boat.

In witness whereof, we have caused this policy to be signed by its President and its Secretary. In the event that the President or Secretary who signed the contract ceases to be officers, either before or after the policy is issued, the policy may be issued with the same effect as if they were still officers.

Secretary

*Dominic R. Smith*

President

*CCCC*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **ELECTRONIC EQUIPMENT DEDUCTIBLE**

CLASSIC BOAT(S):

DEDUCTIBLE AMOUNT:

The deductible, shown above or on the declarations page, applies only to the classic boat(s) listed above or on the declarations page, and shall only apply in the event of a loss or damage resulting from a covered peril which only involves the electronic navigational equipment, as defined herein, which is installed on your covered boat.

For deductible purposes, "electronic navigational equipment" means equipment that is normally required on board the boat for its operation and use. This includes:

1. ship-to-shore radios;
2. depth sounders;
3. loran;
4. GPS;
5. radar, and
6. similar navigational systems.

This special deductible clause shall also apply to electronic entertainment equipment that is permanently installed and normally used on board the boat. This includes, but is not limited to:

1. televisions;
2. CD players; and
3. stereo systems.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **HURRICANE PROTECTION ENDORSEMENT**

If the National Weather Service issues a hurricane watch or warning for the area where your covered boat is moored, we will share equally in the reasonable costs which you incur to protect your covered boat from loss or damage caused by tidal surge or hurricane force winds. This coverage includes:

1. having your covered boat professionally hauled out of the water at the time the hurricane watch or warning is issued for your mooring area by the National Weather Service; and the resulting costs of having your covered boat launched after the watch or warning has ended, or
2. hiring a qualified, unrelated individual to navigate your covered boat to a safe harbor as a result of the hurricane watch or warning.

The most we will pay during any one Policy Period for the Hurricane Protection Coverage provided herein is \$1,000. The policy deductible does not apply to this coverage.

All other terms and conditions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **IN WATER PORT RISK**

### **GENERAL RULES**

The following provision is added:

#### **In Water Port Risk**

It is understood and agreed that the Boat named on the Declarations Page of the Policy is insured for "In Water Port Risk Only".

"In Water Port Risk Only" means that the boat shall remain at the dock with no navigational use during the entire term of this policy unless otherwise noted.

No coverage is afforded should the boat be navigated. However, "In Water Port Risk Only" coverage continues to apply should the boat be removed from the water to be stored onshore at the primary storage location of the insured's storage facility.

## NAVIGATIONAL TERRITORY ENDORSEMENT

### Coverage Schedule

Described Watercraft	Coverage Dates	Navigational Territory
_____	From _____ To _____	_____
_____	From _____ To _____	_____
_____	From _____ To _____	_____

Coverage under your Classic Boat Policy is extended as follows:

#### **Coverage for Navigation Outside the Policy Territory**

We will pay for direct and accidental loss to "Your Insured Property" described above or on the declarations while outside the policy territory. This coverage extension is afforded only:

1. while in the navigational territory indicated above or on the declarations; and
2. during the dates indicated above or on the declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **OUT OF WATER PORT RISK**

### **GENERAL RULES**

The following provision is added:

#### **Out of Water Port Risk**

It is understood and agreed that the Boat named on the Declarations Page of the Policy is insured for "Out of Water Port Risk Only".

"Out of Water Port Risk Only" means that the boat shall be laid up and out of commission onshore at the primary storage location of the insured's storage facility during the entire term of this policy unless otherwise noted.

Navigation of the boat is prohibited and no coverage is afforded should the boat be launched.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **OUTBOARD MOTORS**

### **SECTION A - COVERAGE FOR LOSS OR DAMAGE TO YOUR INSURED PROPERTY**

#### **Repairs and Replacement**

Under the Repairs and Replacement provision, the fourth paragraph is revised to delete the reference that limited the cost to repair or replace damaged outboard motors to their actual cash value. The revised paragraph now reads:

In no event shall the cost to repair or replace damaged sails, protective covers, upholstery, outdrive units, batteries or dinghies exceed their actual cash value at the time of loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **SALVAGE CHARGES**

The Salvage Charges provision under Section A - Coverage For Loss or Damage to Your Insured Property, is deleted and replaced by the following:

**Salvage Charges** - We will pay for your salvage charges where properly incurred arising from a covered loss. The most we pay for your incurred salvage charges is the lesser of:

1. the limit of insurance stated in Section A of the Declarations Page, or
2. \$100,000.

## STATE CONFORMANCE ENDORSEMENT - ARKANSAS

The following amendments change the policy to conform with various state laws. Please read your entire policy for full details about your coverages.

### **ARKANSAS CONFORMANCE**

Under the **DEFINITIONS** Section, the following is added:

Punitive Damages is defined as:

Punitive Damages may be imposed to punish a wrongdoer and to deter others from similar conduct.

Under the **GENERAL RULES** Section, the following clauses are changed as provided below:

#### **Rights of Recovery**

The following is added at the end of this clause:

We shall be entitled to a recovery only after the person has been fully compensated for damages.

#### **Legal Action Against Us**

Item 3. is deleted and replaced by the following:

3. Suit or action must start within five (5) years of the date of loss.

#### **Cancellation**

The second paragraph is deleted and replaced by the following:

We may cancel this policy by mailing notice to you at the address(es) as shown in the Declarations Page, and giving:

1. at least 10 days notice if cancellation is for nonpayment of premium.
2. at least 30 days notice in all other cases, but, if the policy is in effect more than 60 days or is a renewal, it may be cancelled only for one of the following reasons:
  - a. Fraud or material misrepresentation made by or with your knowledge in obtaining this policy, continuing it or in presenting a claim under it;
  - b. The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
  - c. Violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against this policy;
  - d. A material violation of a material provision of this policy.
  - e. Nonpayment of premium.

All notices under this provision shall state the specific reasons for cancellation.

Under **SECTION A – COVERAGE FOR DAMAGE TO YOUR INSURED PROPERTY**, Exclusion 10 is deleted and replaced by the following:

#### **Exclusions**

10. mold;

However, this exclusion (10.) does not apply to mold damage that results from a covered loss.

**Rate Information**

Rate data does NOT apply to filing.

## Supporting Document Schedules

<b>Satisfied -Name:</b> Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b> Approved	07-31-2007
<b>Comments:</b>		
<b>Attachment:</b> AR NAIC Transmittal Form.pdf		
<b>Satisfied -Name:</b> Authorization to File	<b>Review Status:</b> Approved	07-31-2007
<b>Comments:</b>		
<b>Attachment:</b> ACIC filing authority letterhead.pdf		
<b>Satisfied -Name:</b> Certificate of Compliance	<b>Review Status:</b> Approved	07-31-2007
<b>Comments:</b>		
<b>Attachment:</b> DOC071807AR FILED CERT.pdf		
<b>Satisfied -Name:</b> Readability Certification	<b>Review Status:</b> Approved	07-31-2007
<b>Comments:</b>		
<b>Attachments:</b> ACIC Readability Cert.pdf AR Flesch Scores.pdf		
<b>Satisfied -Name:</b> Inland Marine Checklist	<b>Review Status:</b> Approved	07-31-2007
<b>Comments:</b>		
<b>Attachment:</b> AR Inland Marine Filed Checklist.pdf		
<b>Satisfied -Name:</b> Cover Letter	<b>Review Status:</b> Approved	07-31-2007
<b>Comments:</b>		
<b>Attachment:</b> ACIC AR Form letter.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: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

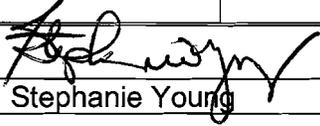
<b>3. Group Name ONE BEACON</b>	<b>Group NAIC #1129</b>
---------------------------------	-------------------------

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
AMERICAN CENTRAL INSURANCE COMPANY	MO	37915	04-2672903	

<b>5. Company Tracking Number</b>	CB 05 01 CB AR Form
-----------------------------------	---------------------

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

6. Name and address	Title	Telephone #s	FAX #	e-mail
Stephanie Young 379 Princeton-Hightstown Rd. Cranbury, NJ 08512	SENIOR COMPLIAN CE CONSULTANT	609-443-7540	609-443-4103	stephaniey@coulter-and-associates.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Stephanie Young

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

9. Type of Insurance (TOI)	09.0 Inland Marine
10. Sub-Type of Insurance (Sub-TOI)	09.0006 Other Personal Inland Marine
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	CLASSIC BOAT PROGRAM
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 11-01-2007      Renewal: 11-01-2007
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	07-18-2007

## Property & Casualty Transmittal Document—

<b>20.</b> This filing transmittal is part of Company Tracking #	CB 05 01 CB AR Form
--	---------------------

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

On behalf of American Central Insurance Company, Coulter and Associates is filing a personal Classic Boat Program.

This new program offers Liability and Physical Damage coverage and is designed to provide coverage for eligible personal watercraft, usually 15 yrs old or older.

This is a new Classic Boat Program for the company, with new forms, rules and rates. It is not a continuation of a currently filed program. We are requesting an effective date of November, 1, 2007.

The program is modeled after a leading multi state classic boat program with new rates that are based on a review and adoption of similar competitor rate levels. The program is designed to provide an enhanced boat insurance product to prospects who own and operate well-maintained older boats that hold or are increasing in value, including classic wooden and fiberglass boats, with agreed value coverage and watercraft liability within the territorial waters defined in the policy.

**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 #: 3999**  
**Amount: \$50.00**  
Form filing = \$50.00

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

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

PC TD-1 pg 2 of 2

**FORM FILING SCHEDULE**

(This form must be provided **ONLY** when making a filing that includes forms)  
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1. This filing transmittal is part of Company Tracking #</b>		CB 05 01 CB AR Form			
<b>2. This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)					
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	ACCIDENTAL FUEL SPILLAGE	CB 03 01 0407	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	ADDITIONAL INSURED	CB 03 03 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	AMENDATORY ENDORSEMENT	CB 02 04 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	CLASSIC BOAT POLICY	CB 05 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	ELECTRONIC EQUIPMENT DEDUCTIBLE	CB 07 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	HURRICANE PROTECTION	CB 08 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	IN WATER PORT RISK	CB 09 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	NAVIGATIONAL TERRITORY ENDORSEMENT	CB 11 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	OUT OF WATER PORT RISK	CB 12 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	OUTBOARD MOTORS	CB 13 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11	SALVAGE CHARGES	CB 16 01 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
12	STATE CONFORMANCE ENDORSEMENT-AR	CB 01 04 04 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	
-----------	--	--

<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	
-----------	---	--

Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
-----------	--	--

<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
<b>5a</b>	Overall percentage rate indication (when applicable)		
<b>5b</b>	Overall percentage rate impact for this filing		
<b>5c</b>	Effect of Rate Filing – Written premium change for this program		
<b>5d</b>	Effect of Rate Filing – Number of policyholders affected		

<b>6.</b>	Overall percentage of last rate revision	
<b>7.</b>	Effective Date of last rate revision	
<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**American Central Insurance Company**  
One Beacon Lane  
Canton, MA 02021

Date: May 15, 2007  
To: State Insurance Departments  
From: Gavin Blair  
Subject: Filing Authority for Coulter & Associates, Inc.

I, *Gavin Blair*, an officer of American Central Insurance Company, have authorized Coulter & Associates, Inc., acting as our Contracts Consultants, to file products and correspond with your Department on our Behalf. This Authorization is effective until May 1, 2008.

Officer Signature: *Gavin Blair*

Title: *Vice President and Attorney*



## READABILITY CERTIFICATION

This is to certify that the form(s) below has (have) been subject to the Flesch Reading Ease Test.

A. Option Selected

1. Policy and its related forms are scored for the Flesch reading ease test as one unit and the combined score is \_\_\_\_\_.
2. Policy and riders are scored separately for the Flesch reading ease test. Scores for the policy and each form as outlined in the attached Exhibit 1.

B. Test Option Selected

1. Test was applied to entire form(s).
2. Test was applied on sample basis. Form(s) contain(s) more than 10,000 words. Copy of forms enclosed indicating word samples tested.

Company Name: American Central Insurance Company

Signature of Certifying Official: 

Printed Name and Title of Certifying Official: Gavin Blair Vice President and Actuary

Certifying Official's Address: 1 Beacon Lane, Canton MA 02021-1030

Date Signed: May 18, 2007

### Arkansas Flesch Scores

<b>Document Description</b>	<b>Form Number</b>	<b>Flesch Score</b>
Accidental Fuel Spillage Coverage	CB03010407	46
Additional Insured Endorsement	CB03030407	47
Amendatory Endorsement - AR	CB02040407	Incl.
Classic Boat Policy	CB05010407	47
Electronic Equipment Deductible	CB07010407	47
Hurricane Protection Endorsement	CB08010407	47
In Water Port Risk	CB09010407	47
Navigational Territory Endorsement	CB11010407	47
Out of Water Port Risk	CB12010407	47
Outboard Motors	CB13010407	47
Salvage Charges	CB16010407	Incl.
State Conformance Endorsement - AR	CB01040407	Incl.

LINE OF BUSINESS: Inland Marine

LINE(S) OF INSURANCE  
Other Commercial Inland Marine

CODES  
9.0005

Code: 9.0000

IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS FOR ALL FILINGS			
COPIES, RETURN ENVELOPES ETC.	Rule & Reg 23—12/18/02. This reg is scheduled to change in 2003. WORD PDF	If it is a paper filing, include 1 copy of transmittal header (or cover letter) for each company included in filing and a return copy for the company. Include a self-addressed, postage paid envelope large enough to accommodate the return copy.	N/A
COVER LETTER AND EXPLANATORY MEMORANDUM	Rule & Reg 23—12/18/02. This reg is scheduled to change in 2003. WORD EDE	12/18/02—At this time Arkansas will accept the abstracts required in current Rule and Reg 23 or the NAIC Uniform Transmittal Document and its related forms. If the Uniform Transmittal document is used, no cover letter is necessary	Acknowledged

<u>FILING SUBMISSION</u>	<u>Rule &amp; Reg 67 WORD PDF</u>		
<u>EFFECTIVE DATE WORDING</u>	<u>23-67-219WORD PDF</u>	(C)(i) Every filing must be submitted for approval to the commissioner at least thirty (30) days prior to the proposed effective date. (ii) Upon written request of the filer, the commissioner may authorize an earlier effective date.	<i>Acknowledged</i>
<u>FREE CONTRACT PROHIBITED</u>			
<u>LIMITATIONS/RESTRICTIONS ON TRANSACTING BUSINESS</u>			
<u>NAIC #</u>	<u>Bulletin 8-90 WORD PDF</u>	NAIC #s are required on all correspondence, documents, reports, etc. filed by the insurer with the AR Insurance Dept.	<i>Acknowledged</i>
<u>LINE OF AUTHORITY</u>	<u>23-62-107 WORD PDF</u>	<u>See Link for full definition</u>	
<u>NO FILE OR FILING EXEMPTIONS</u>	<u>23-67-206 WORD PDF</u>	<p>23-67-206. Exemptions.</p> <p>(a) In a competitive market, property and casualty insurance for commercial risks, excluding workers' compensation, employers' liability, and professional liability insurance, including, but not limited to, medical malpractice insurance, are exempted from the rate filing and review provisions set forth in this chapter.</p> <p>(b) Risks or portions thereof which are not rated according to manuals, rating plans, or schedules including "a" rates, risks rated under the "referral to company" or "individual risk situations" rules, are exempted from the rate filing and review provisions set forth in this chapter. Insurers must maintain complete files on how they determined the rate for such risks and make these files available to the Insurance Commissioner upon request.</p> <p>(c) The commissioner, upon his or her own</p>	<i>N/A</i>

		Initiative or upon request of any person, by order, may exempt any market, segment, or line from any or all of the provisions of this chapter if and to the extent that he or she finds the exemption necessary to achieve the purposes of this chapter.	
<b>SIDE BY SIDE COMPARISON</b>		Accepted but not required	
<b>WATERCRAFT LONGER THAN 26 FEET</b>	<b>Bulletin 7-99 WORD PDF</b>		
<b>THIRD PARTY FILERS AUTHORITY</b>		A third party filer must be given permission by insurer to file on their behalf. No specific code cite.	<i>Acknowledged</i>
<b>TRANSACTIONING OTHER BUSINESS FORMS: POLICY PROVISIONS</b>			
<b>ACCESS TO COURTS</b>	<b>23-79-203 WORD PDF</b>	23-79-203. Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or contract. (b) All such provisions, conditions, or agreements shall be void.	<i>Acknowledged</i>
<b>AMBIGUOUS &amp; MISLEADING</b>			
<b>APPLICATIONS</b>	<b>23-79-109(a) WORD PDF</b>	23-79-109. Filing and approval of forms. (a)(1)(A) No basic insurance policy, or annuity contract form, or application form where written application is required and is to be made a part of the policy or contract, or printed rider or endorsement form or form of renewal certificate, shall be issued, delivered, or used as to a subject of insurance resident, located, or to be performed in this state unless the form has been filed with and approved by the Insurance Commissioner and, in the case of individual accident and health contracts, the rates have been filed with and	<i>Acknowledged</i>

		approved by the commissioner.	
<b>APPRAISALS</b>	<p><u>23-79-203(a)</u>, <u>WORD</u>  <u>Bulletin 19-</u>  <u>89</u> <u>WORD</u> <u>PDF</u></p>	<p>23-79-203. Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or contract.                  (b) All such provisions, conditions, or agreements shall be void.</p>	<p><i>Amendatory Endorsement</i>                  CB03040407</p>
<b>ARBITRATION</b>	<p><u>23-79-203(a)</u>, <u>WORD</u>  <u>Bulletin 19-</u>  <u>89</u> <u>WORD</u> <u>PDF</u></p>	<p>23-79-203. Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or contract.                  (b) All such provisions, conditions, or agreements shall be void.</p>	<p><i>CB05010407</i>  <i>pg 2 payment of loss</i></p>
<b>ASSESSIBLE POLICIES</b>			
<b>BANKRUPTCY PROVISIONS</b>	<p><u>23-89-102</u> <u>Word</u> <u>PDF</u>:  <u>Jarboe v. Shelter Ins. Co.</u>,  <u>317 Ark. 395, 877 S.W.2d</u>  <u>930 (1994)</u></p>	<p>Insurer's liability is not affected by the insured's insolvency; the filing of a petition in bankruptcy is not the type of immunity contemplated by this section.</p>	<p><i>CB05010407</i></p>
<b>BLANK ENDORSEMENTS</b>	<p><u>23-79-109</u> <u>WORD</u> <u>PDF</u>.</p>	<p>Forms must be filed. A form without specific language is not a complete form and can't be approved. However, we will consider approving a "blank" form if the company will provide a detailed description of how the form will be used.</p>	<p><i>Acknowledged</i></p>
<b>CANCELLATION &amp; NON-RENEWAL</b>	<p><u>23-66-206(11)</u> <u>WORD</u> <u>PDF</u></p>	<p>See "Permissible Reasons for Cancellation" below</p>	
<b>Cancellation-indiscriminate &amp; capricious cancellation or nonrenewal by insurers</b>	<p><u>Directive 1-85</u>  <u>Bulletin 13-85</u> <u>WORD</u> <u>PDF</u></p>	<p>Directive 1-85 primarily states the Dept. position on cancellations &amp; nonrenewals. It deals with policies in effect more than 60 days, policyholders forced to suffer cancellation or nonrenewal when a company decides they wish to restrict writing in an area,</p>	<p><i>CB01040407</i></p>

<p>Calculation of Unearned/Return Premium</p>	<p>23-79-112(h) WORD PDF</p>	<p>termination of agent/agency contracts, etc. Bulletin 13-85 emphasizes the Dept. position stated in Directive 1-85. Both Directive and Bulletin are too long to provide here but are available by email or fax by contacting the P&amp;C Division (501-371-2800).                  "(h) On and after January 1, 1990, every property and casualty policy shall contain a provision stating the method to be utilized in computing premium refunds in the event of cancellation of the policy by the insured or the insurer."</p>	<p>CB05010407</p>
<p>Conditional Renewal</p>	<p>23-79-307 WORD PDF</p>	<p>(6)(A) When an insurer revises its rates or rules and the revision results in a premium increase equal to or greater than twenty-five percent (25%) on any renewal policy issued for a term of twelve (12) months or less, the insurer shall mail or deliver to the insured's agent not less than thirty (30) days prior to the effective date of renewal, and to the insured not less than ten (10) days prior to the effective date of renewal, notice specifically stating the insurer's intention to increase the premium by an amount equal to or greater than twenty-five percent (25%).                  (B) If the notice is not given as stated in subdivision (6)(A) of this section, the insurer is required to extend the existing policy thirty (30) days from the date such notice is mailed or delivered. The premium for the policy as extended in such circumstances</p>	<p>N/A</p>
<p>Minimum Retained Premium</p>	<p>23-79-112(b)(7) WORD PDF</p>	<p>23-79-112. Contents.                  (a) The written instrument in which a contract of insurance is set forth is the policy.                  (b) Every policy shall specify:                  (1) The names of the parties to the contract;                  (2) The subject of the insurance;                  (3) The risks insured against;                  (4) The time when the insurance thereunder takes effect and the period during which the insurance is to continue;                  (5) The premium or premium deposit;                  (6) The policy fee, if any;                  (7) The minimum premium to be retained, if any, by a property or casualty insurer in the event of</p>	<p>Satisfied in Filed Form, endorsement, declarations. We do not retain a minimum premium after cancellation</p>

		<p><b>cancellation of the policy by the insured; and</b></p> <p>(B) The conditions pertaining to the insurance.</p> <p>(B) Cancellations of property and casualty policies shall only be effective when notice of cancellation is mailed or delivered by the insurer to the named insured and to any lienholder or loss payee named in the policy at least twenty (20) days prior to the effective date of cancellation. However, where cancellation is for nonpayment of premium, at least ten (10) days' notice of cancellation accompanied by the reason for cancellation shall be given.</p>	<p>CB01040407</p>
<p><b>Notice of Non-renewal</b></p>	<p>23-79-307(7) WORD PDF</p>	<p>(7) Except in the case of nonpayment of premium, an insurer shall renew a policy, unless a written notice of nonrenewal is mailed at least sixty (60) days prior to the expiration date of the policy or, for a policy for a term longer than one (1) year and not having a fixed expiration date, sixty (60) days prior to the anniversary date:</p> <p>(9)(A) "Policy cancellations" are cancellations of insurance coverage on a property or casualty risk which has been in force over sixty (60) days or after the effective date of a renewal policy or an annual anniversary date, unless the cancellation is based upon at least one (1) of the following reasons:</p> <p>(i) Nonpayment of premium;</p> <p>(ii) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;</p> <p>(iii) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;</p> <p>(iv) Violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against under the policy;</p> <p>(v) Nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of the insurer issuing the policy require payment as a condition of the issuance and maintenance of the policy; or</p> <p>(vi) A material violation of a material provision of the</p>	<p>CB01040407</p> <p>Using 30 days not 60</p>
<p><b>Permissible Reasons for Cancellation</b></p>	<p>23-66-206(9)(A) WORD PDF</p>	<p>(9)(A) "Policy cancellations" are cancellations of insurance coverage on a property or casualty risk which has been in force over sixty (60) days or after the effective date of a renewal policy or an annual anniversary date, unless the cancellation is based upon at least one (1) of the following reasons:</p> <p>(i) Nonpayment of premium;</p> <p>(ii) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;</p> <p>(iii) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;</p> <p>(iv) Violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against under the policy;</p> <p>(v) Nonpayment of membership dues in those cases where the bylaws, agreements, or other legal instruments of the insurer issuing the policy require payment as a condition of the issuance and maintenance of the policy; or</p> <p>(vi) A material violation of a material provision of the</p>	<p>CB01040407</p>

		<p>policy.                  (B) Cancellations of property and casualty policies shall only be effective when notice of cancellation is mailed or delivered by the insurer to the named insured and to any lienholder or loss payee named in the policy at least twenty (20) days prior to the effective date of cancellation.                  However, where cancellation is for nonpayment of premium, at least ten (10) days' notice of cancellation accompanied by the reason for cancellation shall be given.                  (C) The provisions of subdivision (9) of this section shall not be applicable to any policy providing coverage for workers' compensation or employers' liability or to any policy providing coverage for personal automobile liability, automobile physical damage, or automobile collision, or any combination thereof;</p>	
<p><b>Permissible Reasons for Non-renewal</b></p>	<p><b>Directive 1-85</b>  <b>Bulletin 13-85</b> <a href="#">WORD</a> <a href="#">PDF</a></p>	<p>There is nothing SPECIFIC to Boiler &amp; machinery but Directive 1-85 primarily states the Dept. position on cancellations &amp; nonrenewals. It deals with policies in effect more than 60 days, policyholders forced to suffer cancellation or nonrenewal when a company decides they wish to restrict writing in an area, termination of agent/agency contracts, etc. Bulletin 13-85 emphasizes the Dept. position stated in Directive 1-85. Both Directive and Bulletin are too long to provide here but are available by email or fax by contacting the P&amp;C Division (501-371-2800).</p>	<p><i>Acknowledged</i></p>
<p><b>Required Policy Period</b></p>	<p><b>23-79-112(b)(4)</b> <a href="#">WORD</a> <a href="#">PDF</a></p>	<p>23-79-112. Contents.                  (a) The written instrument in which a contract of insurance is set forth is the policy.                  (b) Every policy shall specify:                  (1) The names of the parties to the contract;                  (2) The subject of the insurance;                  (3) The risks insured against;                  (4) The time when the insurance thereunder takes effect and the period during which the insurance is to continue;                  (5) The premium or premium deposit;                  (6) The policy fee, if any;                  (7) The minimum premium to be retained, if any, by a property or casualty insurer in the event of cancellation of the policy by the insured; and</p>	<p><i>Acknowledged</i>  <i>See Policy Form,</i>  <i>declarations, endorsements</i></p>

Return Premium	23-79-112(h) WORD PDF	(g) The conditions pertaining to the insurance. “(h) On and after January 1, 1990, every property and casualty policy shall contain a provision stating the method to be utilized in computing premium refunds in the event of cancellation of the policy by the insured or the insurer.”	CB05010407
Suspension			
CERTIFICATIONS		AR is a pilot state for self-certification. However, the forms required have not been developed. Contact Property & Casualty for additional info at (501)-371-2800.	Acknowledged
COINSURANCE			
CONSUMER INFORMATION			
Credit Scoring Notice			
Privacy notice	Rule & Reg 73 WORD PDF Bulletin 5-2000 WORD PDF		
Notification Form	Bulletin 6-87 WORD PDF	Requires the address & phone # of the Arkansas Insurance Dept in every policy. The correct address is: Arkansas Insurance Dept., Consumer Services Division, 1200 W. 3rd St., Little Rock, AR 72201-1904; Telephone 800-852-5494 or 501-371-2640	Acknowledged
CONTENT OF POLICIES	23-79-111 WORD PDF 23-79-112 WORD PDF	Too large to include entire code cite here. Refer to the links to the left.	Acknowledged
COUNTERSIGNATURES	Not Applicable	Resident countersignature requires were repealed several years ago.	
DECLARATIONS PAGE	No specific requirements		
DISCLOSURES			
DEFINITIONS			
DISCRIMINATION	23-66-206(14) WORD PDF	This section too large to provide here. Check link to	Acknowledged

		left.	
DUTY TO DEFEND	23-79-307(5)(A) WORD PDF	(5)(A) Policies containing provisions which would reduce the limit of liability available for judgments or settlements by the amount of payment made for defense cost or claim expenses shall not be approved by the Insurance Commissioner unless a separate limit for defense costs equal to one hundred percent (100%) of the annual aggregate limit of liability stated in the policy for judgments or settlements is offered for defense costs or claims expenses to the insured. However, no policy covering automobile liability insurance may contain the defense within the limits concept. (B) This subsection shall not apply to policies or contracts which the commissioner may exempt by order upon a finding that this subsection may not practically be applied or that its application is not necessary or desirable for the protection of the public;	N/A
EXCLUSIONS & LIMITATIONS			
Mold			
Terrorism			
Terrorism—certified acts	Bul. 13-2002 WORD PDF	Bulletin provides info on rate/form submission requirements. See link at left for complete copy of bulletin.	Acknowledged
FICTITIOUS GROUPS	23-66-304 WORD PDF	Fictitious groups. (a) No insurer, whether an authorized or unauthorized insurer, shall make available through any rating plan or form any fire, casualty, or surety insurance to any person, firm, corporation, or association of individuals at any preferred rate, premium, or form of contract based upon any fictitious grouping of the firm, corporation, or association. (b) "Fictitious grouping" is defined and declared to be the grouping by membership, nonmembership, license, franchise, agreement, contract, or any other method or means wherein the person, firm, corporation, or association of individuals of a group may receive a preferred rate, premium, or form of insurance contract. (c) Nothing in this	Acknowledged Groups not used in this program

		<p>section shall apply to the State of Arkansas or any governmental unit thereof, including counties, school districts, municipalities, state agencies, or any other governmental subsidiary, to life or accident and health insurance or to annuity contracts, nor to any insurer that restricts its insurance coverage to members of a particular association or organization with which the insurer is directly affiliated.</p>	
<b>FORMS MISCELLANEOUS</b>	<b>23-79-109</b> WORD PDF	(General requirement that forms be filed). This section too large to provide here. Check link to left.	<i>Acknowledged</i>
<b>FRAUD WARNING</b>	<b>23-66-503</b> WORD PDF	<p>Fraud warning required. (a) Claim forms, proofs of loss, or any similar documents, however designated, seeking payment or benefit pursuant to an insurance policy, and applications for insurance, regardless of the form of transmission, shall contain the following statement or a substantially similar statement:</p> <p>"Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."</p> <p>(b) The lack of a statement as required in subsection (a) of this section does not constitute a defense in any prosecution for a fraudulent insurance act.</p> <p>(c) Policies issued by unauthorized insurers shall contain a statement disclosing the status of the insurer to do business in the state where the policy is delivered or issued for delivery or the state where coverage is in force. The requirement of this subsection may be satisfied by a disclosure specifically required by § 23-65-307.</p> <p>(d) The requirements of this section shall not apply to reinsurance proofs of loss or applications.</p>	<p><i>Acknowledged</i></p> <p><i>Application is</i></p> <p><i>Complete</i></p>
<b>GROUP POLICIES</b>			
<b>Extra-Territorial Approval Authority</b>			

INSURANCE TO VALUE			
LIBERALIZATION CLAUSE	23-79-308 WORD PDF	Noncomplying provisions. Any commercial property and casualty insurance policy, contract, rider, or endorsement issued after March 13, 1987, and otherwise valid that contains any condition or provision not in compliance with the requirements of this subchapter shall be construed and applied in accordance with the provisions of this subchapter.	N/A
LIMITS			
LOSS PAYEE			
LOSS SETTLEMENTS			
Appraisal	23-79-203(a), WORD PDF 89 WORD PDF	Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or contract. (b) All such provisions, conditions, or agreements shall be void.	CB02040407
Action Against Company	23-79-203 WORD PDF	23-79-203. Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or contract. (b) All such provisions, conditions, or agreements shall be void.	CB05010407 Pg 3 Legal Action Against US
After Market Parts			
Arbitration	23-79-203(a) WORD PDF 89 WORD PDF	Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or contract. (b) All such provisions, conditions, or agreements shall be void.	CB05010407 Pg 2 Payment of Loss

Deductibles			
Defense Costs	23-79-307(5)(A) WORD PDF	(5)(A) Policies containing provisions which would reduce the limit of liability available for judgments or settlements by the amount of payment made for defense cost or claim expenses shall not be approved by the Insurance Commissioner unless a separate limit for defense costs equal to one hundred percent (100%) of the annual aggregate limit of liability stated in the policy for judgments or settlements is offered for defense costs or claims expenses to the insured. However, no policy covering automobile liability insurance may contain the defense within the limits concept. (B) This subsection shall not apply to policies or contracts which the commissioner may exempt by order upon a finding that this subsection may not practically be applied or that its application is not necessary or desirable for the protection of the public	CB05010407 Page 4
Loss Valuation			
NOTICE REQUIREMENTS			
Payment of Loss Time Period	23-63-107 WORD PDF	23-63-107. Prompt processing of payment by insurer. (a) No insurer shall intentionally or unreasonably delay, for more than three (3) business days after presentation for collection, the processing of any properly executed and endorsed check or draft issued in settlement of an insurance claim. (b) It is the intent of the General Assembly that insureds or claimants shall be paid their settlement proceeds at the earliest possible time. (c) Any insurer violating this section shall pay the insured or claimant a penalty of two hundred dollars (\$200) or fifteen percent (15%) of the face amount of the check or draft, whichever is higher.	Acknowledged
Appraisal	23-79-203 WORD PDF	Trial by jury. (a) No insurance policy or annuity contract shall contain any condition, provision, or agreement which directly or indirectly deprives the insured or beneficiary of the right to trial by jury on any question of fact arising under the policy or	CB02040407

MEDICAL PAYMENTS		<p>contract.                  (b) All such provisions, conditions, or agreements shall be void.</p>	
MINIMUM STANDARDS FOR CONTENT (POLICIES AND STANDARD FORMS)	23-79-112 WORD PDF	<p>23-79-112. Contents.                  (a) The written instrument in which a contract of insurance is set forth is the policy.                  (b) Every policy shall specify:                  (1) The names of the parties to the contract;                  (2) The subject of the insurance;                  (3) The risks insured against;                  (4) The time when the insurance thereunder takes effect and the period during which the insurance is to continue;                  (5) The premium or premium deposit;                  (6) The policy fee, if any;                  (7) The minimum premium to be retained, if any, by a property or casualty insurer in the event of cancellation of the policy by the insured; and                  (8) The conditions pertaining to the insurance.  <b>Minimum Commercial Lines Standards—see link for details.</b></p>	<p><i>Acknowledge</i></p>
ORDINANCE/LAW PROVISIONS			
POLICY MUST CONTAIN ENTIRE CONTRACT			
PRIMARY/UNDERLYING COVERAGE			
READABILITY	23-80-306	<p>(a) All policies which, under subsection (b) of this section, must comply with this subsection shall be simplified, taking into consideration the following factors:                  (1) Use of simple sentence structure and short sentences;                  (2) Use of commonly understood words;                  (3) Avoidance of technical legal terms wherever possible;</p>	<p><i>Acknowledge</i></p>

	<p>23-79-110(a)(4) WORD PDF</p>	<p>(4) Minimal reference to other sections or provisions of the policy;                  (5) Organization of text; and                  (6) Legibility.                  The Insurance Commissioner shall disapprove any form filed under § 23-79-109, or withdraw any previous approval, only if the form: ... (4) Is printed or otherwise reproduced in such manner as to render any provision of the form substantially illegible or not easily legible to persons of normal vision</p>	
<p>REBATES</p>	<p>23-66-310 WORD PDF</p>	<p>a) No property, casualty, or surety insurer or any employee thereof and no broker, agent, or solicitor shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insure or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever not specified in the policy, except to the extent provided for in an applicable filing with the Insurance Commissioner as provided by law.                  (b) No insured named in a policy, nor any employee of the insured, shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement, credit, or reduction of premium, or any special favor or advantage or valuable consideration or inducement.                  (c) Nothing in this section shall be construed as prohibiting the payment of commissions or other compensation to licensed agents, brokers, or solicitors, nor shall it be construed as prohibiting any insurer from allowing or returning to its participating policyholders, members, or subscribers any dividends, savings, or unabsorbed premium deposits.</p>	<p><i>Acknowledge</i></p>
<p>STANDARD FIRE POLICY</p>			

<b>SUBROGATION</b>			
Suit	16-56-111; Dept. position	There are many variations to the statute of limitations in Arkansas. Rather than giving a specific time period that may violate certain statutes under certain circumstances we prefer the language "the time allowed by law".	CB01040407
<b>TIMELINESS</b>	16-56-111; Dept. position	There are many variations to the statute of limitations in Arkansas. Rather than giving a specific time period that may violate certain statutes under certain circumstances we prefer the language "the time allowed by law".	CB01040407
<b>TRAVEL</b>			
Baggage			
Trip Cancellation			
<b>VOIDANCE</b>			
<b>WARRANTIES</b>			
<b>OTHER</b>			
Large Commercial Insured	23-79-109(g) WORD PDF Bulletin 6-99 WORD PDF	Forms for insureds who meet the definition of "Large Commercial Insureds" may be exempt from filing requirements. However, they are not exempt from statutory or common law of the state.	N/A
<b>RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS</b>			
<b>INDIVIDUAL RISK RATING</b>	23-67-219 WORD PDF	(E) Upon the written application of the insured, stating his or her reasons therefor, filed with and approved by the commissioner, a rate in excess of	N/A

ACTUARIAL CERTIFICATIONS FOR RATES	Rule and Reg 57	that provided by a filing otherwise applicable may be used on any specific risk: Actuarial certification is recommended but not required. However, Rule & Reg 57 allows the Dept to submit the filing to an independent actuary and charge for Department expense for independent actuarial review of previously disapproved rate/rule filing set for hearing at filer's request (excluding Workers' Compensation which is not subject to a monetary cap) EXPENSE AS INCURRED BUT NOT TO EXCEED-----\$1500	Acknowledged
Loss Costs	23-67-212 WORD PDF Rule and Reg 23	23-67-212 states that rates must be filed; Rule and Reg 23 gives filing forms and specific requirements.	Acknowledged
CONSENT-TO-RATE	23-67-213(c) WORD PDF	(c) Consent to Excessive Rate. Upon written consent of the insured stating his or her reasons therefor, a rate in excess of that provided by an otherwise applicable filing may be used on a specific risk. The "consent-to-rate" shall be on a form signed by the insured that includes a statement that the insured consents to a rate in excess of the filed rate. This form shall remain on file with the producing agent or broker.	N/A
CREDIT SCORING AND REPORTS			
CREDIBILITY			
DEFENSE COSTS	23-79-307 WORD PDF	5(A) Policies containing provisions which would reduce the limit of liability available for judgments or settlements by the amount of payment made for defense cost or claim expenses shall not be approved by the Insurance Commissioner unless a separate limit for defense costs equal to one hundred percent (100%) of the annual aggregate limit of liability stated in the policy for judgments or settlements is offered for defense costs or claims expenses to the insured. However, no policy covering automobile liability insurance may contain	CB05010407 page 4

		<p>the defense within the limits concept.                  (B) This subsection shall not apply to policies or contracts which the commissioner may exempt by order upon a finding that this subsection may not practically be applied or that its application is not necessary or desirable for the protection of the public.</p>	
DISCOUNTS			
EXPIRATION DATE(S) FOR APPROVED RATES			
GROUP POLICIES Extra-Territorial Approval Authority			
LOSS RATIO STANDARDS			
MID TERM CHANGES	23-79-307(3) WORD PDF	<p>(3) Forms or endorsements issued after the policy inception date not at the request of the named insured which reduce, restrict, or modify the original policy coverage must be accepted and signed by the named insured;</p>	Acknowledge
LOSS COST MULTIPLIERS	23-67-306 WORD PDF	<p>23-67-206. Exemptions.                  (a) In a competitive market, property and casualty insurance for commercial risks, excluding workers' compensation, employers' liability, and professional liability insurance, including, but not limited to, medical malpractice insurance, are exempted from the rate filing and review provisions set forth in this chapter.                  (b) Risks or portions thereof which are not rated according to manuals, rating plans, or schedules including "a" rates, risks rated under the "referral to company" or "individual risk situations" rules, are exempted from the rate filing and review provisions set forth in this chapter. Insurers must maintain complete files on how they determined the rate for such risks and make these files available to the</p>	N/A

		<p>Insurance Commissioner upon request.</p> <p>(c) The commissioner, upon his or her own initiative or upon request of any person, by order, may exempt any market, segment, or line from any or all of the provisions of this chapter if and to the extent that he or she finds the exemption necessary to achieve the purposes of this chapter.</p>	
<b>PREMIUM REFUND OR RETENTION</b>	23-79-112(h) <b>WORD PDF</b>	<p>(h) On and after January 1, 1990, every property and casualty policy shall contain a provision stating the method to be utilized in computing premium refunds in the event of cancellation of the policy by the insured or the insurer.</p>	(605010407)
<b>PRICING</b>			
<b>Charges</b>	23-66-310 <b>WORD PDF</b>	<p>This section deals with illegal dealing with premiums and excess charges. It is too large to include here. See link to left.</p>	Acknowledged
<b>Minimum Premium Rules</b>	23-67-202(11) <b>WORD PDF</b>	<p>(11) "Rates" or "supplementary rate information" includes any manual or plan of rates, classification, rating schedule, minimum premium, policy fee, rating rule, and any other similar information needed to determine the applicable rate in effect or to be in effect.</p>	Acknowledged
<b>Multi-tier</b>		<p>Nothing specific in the code. AR allows multi-tier rating with sufficient justification.</p>	N/A
<b>Payment Plans</b>	23-79-101(2) <b>WORD PDF</b>	<p>(2) "Premium" is the consideration for insurance, by whatever name called. Any assessment, or any membership, policy, survey, inspection, service, or similar fee or charge in consideration for a policy is deemed part of the premium.</p>	Acknowledged
<b>Premiums</b>	23-79-101(2) <b>WORD PDF</b>	<p>(2) "Premium" is the consideration for insurance, by whatever name called. Any assessment, or any membership, policy, survey, inspection, service, or similar fee or charge in consideration for a policy is deemed part of the premium.</p>	Acknowledged
<b>Service Charges</b>	23-79-101(2) <b>WORD PDF</b>	<p>(2) "Premium" is the consideration for insurance, by whatever name called. Any assessment, or any membership, policy, survey, inspection, service, or similar fee or charge in consideration for a policy is deemed part of the premium.</p>	Acknowledged

Expense Modification Plan	23-67-206 WORD PDF	such risks and make these files available to the Insurance Commissioner upon request. (c) The commissioner, upon his or her own initiative or upon request of any person, by order, may exempt any market, segment, or line from any or all of the provisions of this chapter if and to the extent that he or she finds the exemption necessary to achieve the purposes of this chapter.	
Experience Rating	23-67-206 WORD PDF		
Large Deductible	23-67-206 WORD PDF		
Retrospective Rating	23-67-206 WORD PDF		
Schedule Rating	23-67-206 WORD PDF		
Small Deductible	23-67-206 WORD PDF		
Wrap-up Rating	23-67-206 WORD PDF		
RATE/LOSS COST SUPPORTING INFORMATION	23-67-206 WORD PDF		
Competition	23-67-206 WORD PDF		
Expenses	23-67-206 WORD PDF		
Experience	23-67-206 WORD PDF		
Judgment	23-67-206 WORD PDF		
Credibility and other factors	23-67-206 WORD PDF		
Profit Loading	23-67-206 WORD PDF		
RETURN ON EQUITY/INVESTMENT INCOME	23-67-206 WORD PDF		
SUPPORTING DATA	23-67-206 WORD PDF		
TRENDING	23-67-206 WORD PDF		
OTHER			



Stephanie Young  
Senior Compliance Consultant

379 Princeton-Hightstown Rd.  
Cranbury, NJ 08512  
Phone: 609-443-7540  
Fax: 609-443-4103  
[stephaniey@coulter-and-associates.com](mailto:stephaniey@coulter-and-associates.com)

July 20, 2007

Arkansas Department of Insurance  
1200 W. Third Street  
Little Rock, Arkansas 72201-1904

Attention: Property and Casualty Division

RE: AMERICAN CENTRAL INSURANCE COMPANY  
NAIC: 37915 FEIN: 04-2672903

Filing For Classic Boat Program:  
Authorization to File  
NAIC Transmittal  
Readability Certification  
Certificate of Compliance  
Inland Marine Checklist

Dear Sir or Madam:

On behalf of American Central Insurance Company, Coulter and Associates is filing a personal Classic Boat Program.

This new program offers Liability and Physical Damage coverage and is designed to provide coverage for eligible personal watercraft, usually 15 yrs old or older.

This is a new Classic Boat Program for the company, with new forms, rules and rates. It is not a continuation of a currently filed program. We are requesting an effective date of November, 1, 2007.

The program is modeled after a leading multi state classic boat program with new rates that are based on a review and adoption of similar competitor rate levels. The program is designed to provide an enhanced boat insurance product to prospects who own and operate well-maintained older boats that hold or are increasing in value, including classic wooden and fiberglass boats, with agreed value coverage and watercraft liability within the territorial waters defined in the policy.

If you have any questions, please call me at (609) 443-7540 or email me at [stephaniey@coulter-and-associates.com](mailto:stephaniey@coulter-and-associates.com). Otherwise we look forward to your approval.

Very truly yours,

*Stephanie Young*

Stephanie Young  
Senior Compliance Consultant

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Form	State Conformance Endorsement	07-18-2007	CB01040407- State Conformance Endorsement- AR.pdf

## STATE CONFORMANCE ENDORSEMENT - ARKANSAS

The following amendments change the policy to conform with various state laws. Please read your entire policy for full details about your coverages.

### **ARKANSAS CONFORMANCE**

Under the **DEFINITIONS** Section, the following is added:

Punitive Damages is defined as:

Punitive Damages may be imposed to punish a wrongdoer and to deter others from similar conduct.

Under the **GENERAL RULES** Section, the following clauses are changed as provided below:

### **RIGHTS OF RECOVERY**

The following is added at the end of this clause:

We shall be entitled to a recovery only after the person has been fully compensated for damages.

### **LEGAL ACTION AGAINST US**

Item 3. is deleted and replaced by the following:

3. Suit or action must start within five (5) years of the date of loss.

### **CANCELLATION**

The second paragraph is deleted and replaced by the following:

We may cancel this policy by mailing notice to you at the address(es) as shown in the Declarations Page, and giving:

1. at least 10 days notice if cancellation is for nonpayment of premium.
2. at least 30 days notice in all other cases, but, if the policy is in effect more than 60 days or is a renewal, it may be cancelled only for one of the following reasons:
  - a. Fraud or material misrepresentation made by or with your knowledge in obtaining this policy, continuing it or in presenting a claim under it;
  - b. The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
  - c. Violation of any local fire, health, safety, building, or construction regulation or ordinances with respect to any insured property or the occupancy of the property, which substantially increases any hazard insured against this policy;
  - d. A material violation of a material provision of this policy.
  - e. Nonpayment of premium.

All notices under this provision shall state the specific reasons for cancellation.