

SERFF Tracking Number: ASPX-125374364 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: A-HO-07 5021
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Filing at a Glance

Company: American Reliable Insurance Company

Product Name: SCO - Homeowners

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI
Combinations

Filing Type: Form

SERFF Tr Num: ASPX-125374364 State: Arkansas

SERFF Status: Closed

Co Tr Num: A-HO-07 5021

Co Status:

Author: SPI AssurantPC

Date Submitted: 11/30/2007

State Tr Num: EFT \$50

State Status: Fees verified and
received

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

Disposition Date: 01/02/2008

Disposition Status: Approved

Effective Date Requested (New): 02/01/2008

Effective Date Requested (Renewal): 02/01/2008

Effective Date (New): 02/01/2008

Effective Date (Renewal):

02/01/2008

State Filing Description:

HO-8 program

4.0003

General Information

Project Name: SCO - Homeowners

Project Number: HO AR02627ARF01

Reference Organization:

Reference Title:

Filing Status Changed: 01/02/2008

State Status Changed: 12/05/2007

Corresponding Filing Tracking Number:

Filing Description:

American Reliable Insurance Company is proposing forms revisions to it's currently approved HO-8 Homeowners Product. We are requesting effective dates of Febuary 1, 2008 for new and March 1, 2008 for renewal business.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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Company and Contact

Filing Contact Information

Louis Mueller, Sr. Regulatory Analyst
 8655 East Via De Ventura (800) 535-1333 [Phone]
 Scottsdale, AZ 85258

Filing Company Information

American Reliable Insurance Company CoCode: 19615 State of Domicile: Arizona
 11222 Quail Roost Dr Group Code: 19 Company Type:
 Miami, FL 33157 Group Name: Assurant, Inc. Group State ID Number:
 (305) 253-2244 ext. [Phone] FEIN Number: 41-0735002

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Reliable Insurance Company	\$50.00	11/30/2007	16904224

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	01/02/2008	01/02/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	12/12/2007	12/12/2007	SPI AssurantPC	12/17/2007	12/17/2007
Pending Industry Response	Becky Harrington	12/05/2007	12/05/2007	SPI AssurantPC	12/12/2007	12/12/2007

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status on approval	Note To Reviewer	SPI AssurantPC	12/27/2007	12/27/2007

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Disposition

Disposition Date: 01/02/2008

Effective Date (New): 02/01/2008

Effective Date (Renewal): 02/01/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover Letter, Cert of Compliance, Forms List, Forms Memo, AR - NAIC FORM FILING SCHEDULE	Approved	Yes
Supporting Document	Objection Letter Response	Approved	Yes
Supporting Document	Form Correction	Approved	Yes
Form	Additional Interests-Residence Premises	Approved	Yes
Form	Other Structures-Increased Limits	Approved	Yes
Form	Roof Exclusion	Approved	Yes
Form	Declarations Page	Approved	Yes
Form (revised)	Declarations Page	Approved	Yes
Form	Declarations Page		Yes
Form	Personal Property Replacement Cost	Approved	Yes
Form (revised)	Roof Exclusion	Approved	Yes
Form	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing		Yes
Form	Actual Cash Value Defined	Approved	Yes
Form	Homeowners Policy Cover	Approved	Yes
Form	Homeowners Policy	Approved	Yes
Form	Special Provisions-Arkansas	Approved	Yes
Form	Premises Alarm or Fire Protection System	Approved	Yes
Form	Additional Insured	Approved	Yes
Form	Earthquake	Approved	Yes
Form	No Section II-Liability Coverages for Home Day Care Business	Approved	Yes
Form	Additional Residence Rented to Others	Approved	Yes
Form (revised)	Punitive Damages Exclusion	Approved	Yes
Form	Punitive Damage Exclusion		Yes
Form	Building Exclusion Endorsement	Approved	Yes
Form	Hazardous Substance Exclusion	Approved	Yes
	Mold Exclusion	Approved	Yes

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Form (revised)

Form	Mold Exclusion		Yes
Form	Swimming Pool or Spa Exclusion	Approved	Yes
Form	Trampoline Exclusion	Approved	Yes
Form	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse	Approved	Yes
Form	Specific Breed Animal Exclusion	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 12/12/2007
Submitted Date 12/12/2007

Respond By Date

Dear Louis Mueller,

This will acknowledge receipt of the captioned filing.

Objection 1

- Mold Exclusion (Form)

Comment: The sentence "Any loss or damage involving in any way the actual or potential presence of mold...caused by or resulting from an insured peril" contradicts the sentence "This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire or damage that is a result of any other covered peril."

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/17/2007
Submitted Date 12/17/2007

Dear Becky Harrington,

Comments:

Becky,

Please find attached revised form number A6385E1207 Mold Exclusion for your review and approval.

Thank you

Lou Mueller

Response 1

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Comments: Becky,

Attached is the corrected Mold Exclusion Form for your review and approval.

Thank you
Lou Mueller

Related Objection 1

Applies To:

- Mold Exclusion (Form)

Comment:

The sentence "Any loss or damage involving in any way the actual or potential presence of mold...caused by or resulting from an insured peril" contradicts the sentence "This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire or damage that is a result of any other covered peril."

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form Correction

Comment: Correction to Mold Exclusion Form

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
SPI AssurantPC

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
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Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/05/2007

Submitted Date 12/05/2007

Respond By Date

Dear Louis Mueller,

This will acknowledge receipt of the captioned filing.

Objection 1

- Punitive Damage Exclusion (Form)

Comment:

This filing must be amended to comply with Bulletin 4-82 which requires punitive or exemplary damages to be defined. An acceptable definition would be "Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

Objection 2

- Mold Exclusion (Form)

Comment:

This property section of this endorsement does not appear to comply with Bulletin 10-2002. Coverage for mold/fungus that is the result of any covered cause of loss must be provided up to the building limit.

Objection 3

- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing (Form)

Comment: Please withdraw this endorsement. Arkansas allows total roof exclusion by endorsement with the insureds signature, but not for specific perils.

Objection 4

- Declarations Page (Form)

Comment: The company name is not shown on this dec page. Please amend accordingly.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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Company Tracking Number: A-HO-07 5021
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Response Letter Status Submitted to State
Response Letter Date 12/12/2007
Submitted Date 12/12/2007

Dear Becky Harrington,

Comments:

Objection letter response and revised forms are attached for your view and approval.

Thank you
Lou Mueller

Response 1

Comments: See attached

Related Objection 1

Applies To:

- Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing (Form)

Comment:

Please withdraw this endorsement. Arkansas allows total roof exclusion by endorsement with the insureds signature, but not for specific perils.

Related Objection 2

Applies To:

- Declarations Page (Form)

Comment:

The company name is not shown on this dec page. Please amend accordingly.

Related Objection 3

Applies To:

- Mold Exclusion (Form)

Comment:

This property section of this endorsement does not appear to comply with Bulletin 10-2002. Coverage for mold/fungus that is the result of any covered cause of loss must be provided up to the building limit.

Related Objection 4

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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 Company Tracking Number: A-HO-07 5021
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: SCO - Homeowners
 Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Applies To:

- Punitive Damage Exclusion (Form)

Comment:

This filing must be amended to comply with Bulletin 4-82 which requires punitive or exemplary damages to be defined. An acceptable definition would be "Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection Letter Response

Comment: Objection Letter Response

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Declarations Page	M8000D1006	1006	Policy/Coverage Form	Withdrawn		0	
Previous Version							
Declarations Page	M8000D1006	1006	Policy/Coverage Form	New		0	M8000D1006.PDF
Roof Exclusion	A6290E	1005	Endorsement/Amendment/Conditions	Replaced		0	A6290E.PDF
Previous Version							
Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	HO 0493 1000	1000	Endorsement/Amendment/Conditions	New		0	HO 0493 1000.PDF
Punitive Damages Exclusion	A6381E	1107	Endorsement/Amendment/Conditions	Replaced		0	A6381E.PDF
Previous Version							
Punitive Damage Exclusion	A6137E0501	0501	Endorsement/Amendment/Conditions	Replaced		0	A6137E0501.PDF
Mold Exclusion	A6385E	1207	Endorsement/Amendment	Replaced		0	A6385E.PDF

SERFF Tracking Number: ASPX-125374364 *State:* Arkansas
Filing Company: American Reliable Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: A-HO-07 5021
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

/Conditions

DF

Previous Version

<i>Mold Exclusion</i>	A6344E12 1206	<i>Endorsement/Amendment Replaced</i>	0	A6344E12
	06 1206	<i>/Conditions</i>		06
				1206.PDF

SERFF Tracking Number: ASPX-125374364 *State:* Arkansas
Filing Company: American Reliable Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: A-HO-07 5021
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

No Rate/Rule Schedule items changed.

Sincerely,
SPI AssurantPC

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Filing Company: American Reliable Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: A-HO-07 5021
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Note To Reviewer

Created By:

SPI AssurantPC on 12/27/2007 01:49 PM

Subject:

Status on approval

Comments:

Hi Becky,

I hope you enjoyed the holiday! Can you please give me a status on this filing. The underwriter was just asking me about it. Any information you can give me would be great.

Thanks,

Lou Mueller

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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: SCO - Homeowners
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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Additional Interests- Residence Premises	HO 0410 0491	0491	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 A6291E; A6156E; A6289E Previous Filing #:		
Approved	Other Structures- Increased Limits	HO 0448 0491	0491	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 A6291E; A6156E; A6289E Previous Filing #:		
Approved	Roof Exclusion	A6290E10 05 1005	1005	Endorsement/Amendment/Conditions	Withdrawn Replaced Form #:0.00 A6291E; A6156E; A6289E Previous Filing #:		
Approved	Declarations Page	A6010D10 05 1005	1005	Policy/Coverage Form	New	0.00	A6010D1005 .PDF
Approved	Declarations Page	M8000D1 006 1006	1006	Policy/Coverage Form	Withdrawn Replaced Form #:0.00 Previous Filing #:		
Approved	Personal Property Replacement Cost	HO 0490 1000	1000	Endorsement/Amendment/Conditions	New	0.00	HO 0490 1000.PDF
Approved	Roof Exclusion	A6290E 1005	1005	Endorsement/Amendment/Conditions	Replaced HO 04 93 Previous Filing #:		A6290E.PDF
Approved	Actual Cash Value Defined	A8481E04 02 0402	0402	Endorsement/Amendment/Conditions	New	0.00	A8481E0402 .PDF
Approved	Homeowners Policy Cover	A6100P02 0206 06	0206	Policy/Coverage Form	Replaced Replaced Form #:0.00 A6010P Previous Filing #:		A6100P0206 .PDF
Approved	Homeowners	HO 0008 0491	0491	Policy/Coverage Form	Replaced Replaced Form #:0.00		HO 0008

SERFF Tracking Number: ASPX-125374364 State: Arkansas
 Filing Company: American Reliable Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number: A-HO-07 5021
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: SCO - Homeowners
 Project Name/Number: SCO - Homeowners/HO AR02627ARF01

	Policy	1000		rage Form	A6010P; HO0008	1000.PDF
					Previous Filing #:	
Approved	Special Provisions-Arkansas	HO 0103 0207	0207	Endorsement/Amendment/Conditions	Replaced Form #:0.00 A6010P; HO0008; HO 0103	HO 0103 0207.PDF
					Previous Filing #:	
Approved	Premises Alarm or Fire Protection System	HO 0416 1000	1000	Endorsement/Amendment/Conditions	Replaced Form #:0.00 A6010P; HO0008; HO 0103; HO 0416	HO 0416 1000.PDF
					Previous Filing #:	
Approved	Additional Insured	HO 0441 1000	1000	Endorsement/Amendment/Conditions	Replaced Form #:0.00 A6010P; HO0008; HO 0103; HO 0416; HO 0441	HO 0441 1000.PDF
					Previous Filing #:	
Approved	Earthquake	HO 0454 1000	1000	Endorsement/Amendment/Conditions	Replaced Form #:0.00 HO 0454	HO 0454 1000.PDF
					Previous Filing #:	
Approved	No Section II-Liability Coverages for Home Day Care Business	HO 0496 1000	1000	Endorsement/Amendment/Conditions	Replaced Form #:0.00 HO 0496	HO 0496 1000.PDF
					Previous Filing #:	
Approved	Additional Residence Rented to Others	HO 2470 1000	1000	Endorsement/Amendment/Conditions	Replaced Form #:0.00 HO 0496; HO 2470	HO 2470 1000.PDF
					Previous Filing #:	
Approved	Punitive Damages Exclusion	A6381E 1107		Endorsement/Amendment/Conditions	Replaced Form #:0.00 A6137E	A6381E.PDF
					Previous Filing #:	
Approved	Building Exclusion Endorsement	A6246E04 0404	04	Endorsement/Amendment/Conditions	Replaced Form #:0.00 A6291E; A6156E	A6246E0404 .PDF
					Previous Filing #:	

SERFF Tracking Number: ASPX-125374364 State: Arkansas
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: SCO - Homeowners
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Approved	Hazardous Substance Exclusion	A6346E12 1206 06 1206	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A6291E; A6156E; A6289E Previous Filing #:	A6346E1206 1206.PDF
Approved	Mold Exclusion	A6385E 1207	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A6344E Previous Filing #:	A6385E.PDF
Approved	Swimming Pool or Spa Exclusion	A6312E03 0306 06 0306	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A8489E; A6212E Previous Filing #:	A6312E0306 0306.PDF
Approved	Trampoline Exclusion	A6313E03 0306 06 0306	Endorseme New nt/Amendm ent/Condi ons	0.00	A6313E0306 0306.PDF
Approved	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse	A6320E05 0506 06 0506	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A6212E Previous Filing #:	A6320E0506 0506.PDF
Approved	Specific Breed Animal Exclusion	A6349E01 0107 07 0107	Endorseme Replaced nt/Amendm ent/Condi ons	Replaced Form #:0.00 A6283E Previous Filing #:	A6349E0107 0107.PDF

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage **C**; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances; whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) Consisting principally of fur;
 - c. Cameras, projection machines, films and related articles of equipment;
 - d. Musical equipment and related articles of equipment;
 - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (2) Smoking implements; or
 - (3) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

B. Ineligible Property

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

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in **A.** above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this policy; or
 - e. For loss to any item described in **A.2.a. - f.** above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in **A.** above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

AMERICAN RELIABLE INSURANCE COMPANY ROOF EXCLUSION

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is a condition of this policy that no coverage be afforded to any loss or damage to the roof of the building(s) described on the declaration page. Any loss or damage resulting from the condition of the roof is excluded.

The roof(s) on the building(s) are in uninsurable condition at this time and improvements must be made before coverage can be considered by this company.

Named Insured

All other terms and conditions remain unchanged.

**AMERICAN RELIABLE INSURANCE COMPANY
ACTUAL CASH VALUE DEFINED**

This endorsement modifies insurance provided under the policy.

The following definition is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of covered property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

American Reliable Insurance Company

A Stock Insurance Company

8655 E Via De Ventura
Scottsdale, AZ 85258-3321
(800) 535-1333 (480) 483-8666

A.M. Best Rated A-, Excellent

We welcome you as a policyholder to
American Reliable Insurance Company

READ YOUR POLICY CAREFULLY.

This is a legal contract between the policyowner and the company.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



SECRETARY



PRESIDENT

HOMEOWNERS 8 – MODIFIED COVERAGE FORM

AGREEMENT

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

DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:
 - a.** Liability for "bodily injury" or "property damage" arising out of the:
 - (1)** Ownership of such vehicle or craft by an "insured";
 - (2)** Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
 - (3)** Entrustment of such vehicle or craft by an "insured" to any person;
 - (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
 - (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
 - b.** For the purpose of this definition:
 - (1)** Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
 - (2)** Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
 - (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
 - (4)** Motor vehicle means a "motor vehicle" as defined in **7.** below.
 - 2.** "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
 - 3.** "Business" means:
 - a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b.** Any other activity engaged in for money or other compensation, except the following:
 - (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4)** The rendering of home day care services to a relative of an "insured".
 - 4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
 - 5.** "Insured" means:
 - a.** You and residents of your household who are:
 - (1)** Your relatives; or
 - (2)** Other persons under the age of 21 and in the care of any person named above;
 - b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1)** 24 and your relative; or
 - (2)** 21 and in your care or the care of a person described in **a.(1)** above; or

c. Under Section II:

- (1)** With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- (2)** With respect to a "motor vehicle" to which this policy applies:
 - (a)** Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
 - (b)** Other persons using the vehicle on an "insured location" with your consent.

Under both Sections **I** and **II**, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

- a.** The "residence premises";
- b.** The part of other premises, other structures and grounds used by you as a residence; and
 - (1)** Which is shown in the Declarations; or
 - (2)** Which is acquired by you during the policy period for your use as a residence;
- c.** Any premises used by you in connection with a premises described in **a.** and **b.** above;
- d.** Any part of a premises:
 - (1)** Not owned by an "insured"; and
 - (2)** Where an "insured" is temporarily residing;
- e.** Vacant land, other than farm land, owned by or rented to an "insured";
- f.** Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
- g.** Individual or family cemetery plots or burial vaults of an "insured"; or

- h.** Any part of a premises occasionally rented to an "insured" for other than "business" use.

7. "Motor vehicle" means:

- a.** A self-propelled land or amphibious vehicle; or
- b.** Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

- a.** "Bodily injury"; or
- b.** "Property damage".

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

10. "Residence employee" means:

- a.** An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b.** One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

11. "Residence premises" means:

- a.** The one family dwelling where you reside;
- b.** The two, three or four family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
 - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" while on the "residence premises". After a loss and at your request, we will cover personal property owned by others while the property is on the part of the "residence premises" occupied by an "insured".

2. Limit For Property At Other Residences

We also cover personal property owned or used by an "insured" while it is anywhere in the world but our limit of liability will not be more than 10% of the limit of liability for Coverage C or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.

- e. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories **g.** and **h.** below.
- g. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **g.**

- h. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **h.**

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".
 - (1) This includes:
 - (a) Their accessories, equipment and parts; or
 - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in **(a)** and **(b)** above applies only while such property is in or upon the "motor vehicle".

- (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service an "insured's" residence; or
- (b) Designed to assist the handicapped;
- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured";
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;
- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages**; or
- k. Water or steam.

D. Coverage D – Loss Of Use

The limit of liability for Coverage **D** is the total limit for the coverages in **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** below.

1. Additional Living Expense

If a loss covered under Section **I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks.

4. Loss Or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

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

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s):
- (3) Damage(s) a covered structure; or

(4) Does not damage a covered structure, but:

- (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
- (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, described in B.4. under Section I – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$250 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

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

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

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

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;
 - (b) By a person who has been entrusted with either type of card or access device; or

(c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or

(2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. applies, the following defense provisions also apply:

(1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.

(2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.

(3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

7. Loss Assessment

a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

(1) Earthquake; or

(2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

c. Paragraph P. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Glass Or Safety Glazing Material

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.
- c. We will pay up to \$100 for loss under this coverage.
- d. This coverage does not increase the limit of liability that applies to the damaged property.

SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages **A**, **B** and **C** caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

This peril does not include loss caused by a vehicle owned or operated by a resident of the "residence premises".

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief

This peril does not include loss to property on the "residence premises", and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. Theft

a. This peril includes attempted theft and loss of property from a known place on the "residence premises" when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
- (4) That occurs off the "residence premises".

c. Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the "residence premises".

d. Our liability will not be more than \$1,000 in any one loss caused by theft.

10. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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

This Exclusion 1. applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion 2. does not apply to loss by theft.

3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

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

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

7. Nuclear Hazard

This Exclusion 7. pertains to Nuclear Hazard to the extent set forth in **M. Nuclear Hazard Clause** under Section I – Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

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

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable limit of liability.

B. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;

- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages, stating the amount and cause of loss.

C. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c. Structures that are not buildings;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings under Coverage **A** or **B**:
 - a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within 180 days of the date of loss, we will pay the lesser of the following amounts:
 - (1) The limit of liability that applies to the damaged or destroyed building structure; or
 - (2) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.
 - b. If you do not make claim under Paragraph **a.** above, we will pay the least of the following amounts:
 - (1) The limit of liability that applies to the damaged or destroyed building structure;
 - (2) The market value at the time of loss of the damaged or destroyed building structure exclusive of land value; or

- (3) The amount which it would cost to repair or replace that part of the building structure damaged or destroyed with material of like kind and quality less allowance for physical deterioration and depreciation.

In this provision, the terms "repair" or "replace" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is added to this policy.

D. Loss To A Pair Or Set

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

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

E. Appraisal

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

Each party will:

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

F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. Suit Against Us

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

H. Our Option

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

I. Loss Payment

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

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

J. Abandonment Of Property

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

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgagees.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **E.** Appraisal, **G.** Suit Against Us and **I.** Loss Payment under Section **I** – Conditions above also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

L. No Benefit To Bailee

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

M. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

N. Recovered Property

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

O. Volcanic Eruption Period

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

P. Policy Period

This policy applies only to loss which occurs during the policy period.

Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

R. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

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

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

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any pre-arranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B.6.a., b., d., e. or h.**; or
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

(b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or

(c) Cross public roads at designated points to access other parts of the golfing facility; or

(2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

1. Coverages **E** and **F** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any pre-arranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

(d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:

(i) You declare them at policy inception; or

(ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion E.1. does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

b. This Exclusion E.2. does not apply to:

- (1) The rental or holding for rental of an "insured location";

(a) On an occasional basis if used only as a residence;

(b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(c) In part, as an office, school, studio or private garage; and

(2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
- b. Rented to an "insured"; or
- c. Rented to others by an "insured"; that is not an "insured location";

5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage E – Personal Liability

Coverage **E** does not apply to:

1. Liability:

a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;

b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

a. Workers' compensation law;

b. Non-occupational disability law; or

c. Occupational disease law;

5. "Bodily injury" or "property damage" for which an "insured" under this policy:

a. Is also an insured under a nuclear energy liability policy issued by the:

(1) Nuclear Energy Liability Insurance Association;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;

or any of their successors; or

b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or an "insured" as defined under Definitions **5.a.** or **b.**

This exclusion also applies to any claim made or suit brought against you or an "insured":

a. To repay; or

b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage **F** does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":

a. Occurs off the "insured location"; and

b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";

2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:

a. Workers' compensation law;

b. Non-occupational disability law; or

c. Occupational disease law;

3. From any:

a. Nuclear reaction;

b. Nuclear radiation; or

c. Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

d. Any consequence of any of these; or

4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

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

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** limit of liability shown in the Declarations.

B. Severability Of Insurance

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

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;

5. With respect to **C. Damage To Property Of Others** under Section **II – Additional Coverages**, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;

6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage F – Medical Payments To Others

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

E. Payment Of Claim – Coverage F – Medical Payments To Others

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

F. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this Section **II**.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage **E** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

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

H. Other Insurance

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

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or

3. Made false statements;
relating to this insurance.

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

B. Waiver Or Change Of Policy Provisions

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

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

- d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Nonrenewal

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

E. Assignment

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

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage **F** or Paragraph **C**. Damage To Property Of Others under Section **II** – Additional Coverages.

G. Death

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – ARKANSAS

SECTION I – CONDITIONS

E. Appraisal is replaced by the following:

E. Appraisal

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

Each party will:

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

G. Suit Against Us is deleted and replaced by the following:

G. Suit Against Us

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

K. Mortgage Clause

Paragraph 3. is replaced by the following:

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

- a. At least 10 days before the date cancellation takes effect if:
 - (1) We cancel for nonpayment of premium; or
 - (2) The policy has been in effect for less than 60 days and is not a renewal with us; or

b. At least 20 days before the date cancellation takes effect in all other cases.

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

R. Loss Payable Clause is replaced by the following:

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel this policy, that loss payee will be notified in writing.

If we decide to not renew this policy, that loss payee will be notified in writing at least 30 days before the date nonrenewal takes effect.

(This is Condition Q. in Form HO 00 04.)

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs 2.c. and 2.d are replaced by the following:

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

(5) In the event of a material violation of a material provision of this policy.

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

- d. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **2.c** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

F. Subrogation is replaced by the following:

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. However, we will be entitled to a recovery only after an "insured" has been fully compensated for the loss sustained.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage **F** or Paragraph **C. Damage To Property Of Others** under Section **II** – Additional Coverages.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES ALARM OR FIRE PROTECTION SYSTEM

We acknowledge the installation of an alarm system and/or automatic sprinkler system approved by us on the "residence premises". You agree to maintain this system or systems, for which we have granted a credit, in working order and to let us know promptly of any change, including removal, made to the system(s).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
RESIDENCE PREMISES

SCHEDULE*

Name And Address Of Person Or Organization	
Interest	
*Entries may be left blank if shown elsewhere in this policy for this coverage.	

DEFINITIONS

Definition 5. which defines "insured" is extended to include the person or organization named in the Schedule above, but only with respect to:

1. Coverage **A** – Dwelling and Coverage **B** – Other Structures; and
2. Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

SECTION II – EXCLUSIONS

This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

CANCELLATION AND NONRENEWAL NOTIFICATION

If we decide to cancel or not to renew this policy, the person or organization named in the Schedule will be notified in writing.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE

SCHEDULE*

<p>Earthquake Deductible Percentage Amount:</p> <p>Exterior Masonry Veneer Exclusion 1.</p> <p><input type="checkbox"/> Check here only if this exclusion does not apply.</p>
<p>*Entries may be left blank if shown elsewhere in this policy for this coverage.</p>

A. Coverage

1. We insure for direct physical loss to property covered under Section I caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

One or more earthquake shocks that occur within a seventy-two hour period constitute a single earthquake.

2. This coverage does not increase the limits of liability stated in this policy.

B. Special Deductible

The following replaces any other deductible provision in this policy with respect to loss covered under this endorsement:

We will pay only that part of the total of all loss payable under Section I, except:

- 1. Coverage D; and
- 2. The Additional Coverages;

that exceeds the earthquake deductible.

The dollar amount of the earthquake deductible is determined by multiplying either the:

- Coverage A; or
- Coverage C;

limit of liability shown in the Declarations, whichever is greater, by the deductible percentage amount shown in the Schedule above.

The total deductible amount will not be less than \$250.

C. Special Exclusions

1. Exterior Masonry Veneer

We do not cover loss to exterior masonry veneer caused by earthquake. The value of exterior masonry veneer will be deducted before applying the earthquake deductible described above. For the purpose of this exclusion, stucco is not considered masonry veneer.

2. Flood

We do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether:

- a. Caused by;
- b. Resulting from;
- c. Contributed to by; or
- d. Aggravated by; earthquake.

3. Filling Land

This coverage does not include the cost of filling land.

D. Exception To The Earth Movement Exclusion

The Section I – Earth Movement Exclusion does not apply to loss caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

All other provisions of this policy apply.

THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

**NO SECTION II – LIABILITY COVERAGES FOR
HOME DAY CARE BUSINESS
LIMITED SECTION I – PROPERTY COVERAGES FOR
HOME DAY CARE BUSINESS**

- A.** "Business", as defined in the policy, means:
1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
 2. Any other activity engaged in for money or other compensation, except the following:
 - a. One or more activities:
 - (1) Not described in **b.** through **d.** below; and
 - (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
 - b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - d. The rendering of home day care services to a relative of an "insured".
- B.** If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C.** If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
1. That an "insured" engages in for money or other compensation; and
 2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;
- the home day care service and other activity will be considered a "business".
- D.** With respect to **C.** above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
1. Described in **A.2.** above, and
 2. Engaged in for money by a single "insured";
- may be considered a "business" if the \$2000 threshold is exceeded.
- E.** With respect to **A.** through **D.** above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:
1. Does not provide:
 - a. Section **II** coverages. This is because a "business" of an "insured" is excluded under **E.2.** of Section **II** – Exclusions;
 - b. Coverage, under Section **I**, for other structures from which any "business" is conducted; and
 2. Limits Section **I** coverage, under Coverage **C** – Special Limits of Liability, for "business" property:
 - a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category **h.** (**e.** in Form **HO 00 08**) imposes that limit on "business" property on the "residence premises";
 - b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category **i.** (**f.** in Form **HO 00 08**) imposes that limit on "business" property away from the "residence premises". Category **i.** does not apply to property described in Categories **j.** and **k.** (**g.** and **h.** respectively in Form **HO 00 08**).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

SCHEDULE*

Definition **6.** which defines an "Insured location" and the exception to Section II Exclusion **E.2.** "Business" in Paragraph **b.** are extended to include the location(s) listed below.

All other provisions of this policy apply.

Location

Number Of Families

*Entries may be left blank if shown elsewhere in this policy for this coverage.

AMERICAN RELIABLE INSURANCE COMPANY PUNITIVE DAMAGES EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to any claim of or indemnification for punitive or exemplary damages. If a suit seeking both compensatory and punitive or exemplary damages has been brought against you for a claim covered by this policy, we will provide defense for such action. We will not have any obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages. This endorsement does not exclude wrongful death punitive damages.

Punitive or Exemplary Damages definition: Those damages imposed to punish a wrongdoer and to deter others from similar conduct.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
BUILDING EXCLUSION ENDORSEMENT**

The coverages provided by this policy under Coverage B, Other Structures, are amended to exclude the following described building(s) located on the insured property as listed below:

DESCRIPTION OF BUILDING

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
HAZARDOUS SUBSTANCE EXCLUSION**

The following EXCLUSION applies to all coverages:

We do not pay for:

1. Any "bodily injury" or "property damage" arising out of contact or exposure to "hazardous substance"; or
2. Any other loss or expense arising out of contact or exposure to "hazardous substances."

Definition: "Hazardous substances" include asbestos, benzene, gasoline, lead, mercury, any pollutants, toxins, chemical waste, biological waste, nuclear waste, and any other materials that cause or are alleged to cause injury or harm to any person or damage to property.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

AMERICAN RELIABLE INSURANCE COMPANY

MOLD EXCLUSION

PROPERTY SECTION

Notwithstanding any other provision in this policy, there is no coverage for the following:

Any loss or damage involving in any way the actual or potential presence of mold, mildew or fungi of any kind whatsoever, whether occurring independently or if directly or indirectly caused by or resulting from an Insured Peril.

We will not defend you with respect to any claim or lawsuit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire or damage that is a result of any other covered peril.

This exclusion applies to the policy and any and all attached endorsements. All other terms and conditions of the policy remain the same.

LIABILITY SECTION

Liability and Medical Payment to Others coverages do not apply to:

Any bodily injury, property damage or medical payment claim of any kind, whether occurring independently or if directly or indirectly relating to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever.

We will not defend you with respect to any claim or lawsuit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire or damage that is a result of any other covered peril.

This exclusion applies to the policy and any and all attached endorsements. All other terms and conditions of the policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
SWIMMING POOL OR SPA EXCLUSION**

Under **SECTION II – EXCLUSION; Coverage E – Personal Liability and Coverage F Medical Payments to Others**, the following exclusion is added:

Any “bodily injury” or “property damage” arising out of the ownership, maintenance or use of a swimming pool or spa (hot tub) that is located on the “insured location”.

All other conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMERICAN RELIABLE INSURANCE COMPANY
TRAMPOLINE EXCLUSION**

Under **SECTION II EXCLUSION, Coverage E – Personal Liability and Coverage M – Medical Payments to Others**, the following exclusion is added:

Any “bodily injury” or “property damage” arising out of any “occurrence” involving any trampoline owned by, or in the care, custody, or control of the “insured” or any member of the insured’s family or household;
or

Any other loss or expense arising out of any “occurrence” involving any trampoline owned by, or in the care, custody, or control of the “insured” or any member of the insured’s family or household.

All other conditions of this policy remain unchanged.

AMERICAN RELIABLE INSURANCE COMPANY SEXUAL MOLESTATION, CORPORAL PUNISHMENT OR PHYSICAL OR MENTAL ABUSE EXCLUSION

Under **SECTION II EXCLUSIONS – E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others**, number 7. is deleted and replaced by the following:

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse.

Coverage afforded by this policy **does not** apply to any alleged or actual “bodily injury” or “property damage” arising out of:

- A. the actual, threatened or alleged:
 - 1. physical abuse or corporal punishment of any kind committed by any person, whether or not with the actual or constructive consent or participation of any “insured”;
 - 2. emotional or mental abuse of any kind committed by any person, whether or not with the actual or constructive consent or participation of any “insured”; or
 - 3. sexual abuse; molestation; licentious, immoral or sexual behavior of any kind committed by any person, whether or not with the actual or constructive consent or participation of any “insured”; or
- B. the failure of any “insured,” member of the household or anyone else for whom an “insured” is legally responsible to prevent or suppress any such actual or threatened behavior; and/or
- C. the negligent selection, employment, training, supervision, or retention of any person whose conduct is described in A.1., A.2. and/or A.3.above; or,
- D. the erroneous, mistaken or negligent reporting of the above described acts to proper authorities, or the failure to report such acts.

The Company shall have no duty to defend any claim or suit that includes any of the above claims, regardless of the circumstances involved in the claim or suit, even though the allegations may be groundless, false or fraudulent.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

AMERICAN RELIABLE INSURANCE COMPANY SPECIFIC BREED ANIMAL EXCLUSION

***THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.***

The following EXCLUSION applies to all coverages:

We do not pay for:

1. Any bodily injury or property damage arising out of any occurrence involving any animal or breed of dog listed below owned by, or in the care, custody, or control of the insured or any member of the insured's family or household; or
2. Any other loss or expense arising out of any occurrence involving any animal or breed of dog listed below owned by, or in the care, custody, or control of the insured or any member of the insured's family or household.

Animal:

1. Any animal with a previous bite history;
2. Snakes;
3. Monkeys;
4. Ostriches.

Breed of Dog:

1. Akita;
 2. Anatolian Shepherd;
 3. Chow;
 4. Doberman;
 5. Pit Bull;
 6. Rottweiler;
 7. Presa Canario
 8. Wolf;
 9. Wolf Hybrids;
 10. A mix of any of the above breeds with any other breed whether listed above or not.
3. This exclusion does not apply to heat, smoke or fumes from a hostile fire, if the hostile fire was caused by an excluded animal or dog.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

SERFF Tracking Number: ASPX-125374364 State: Arkansas
Filing Company: American Reliable Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: A-HO-07 5021
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: SCO - Homeowners
Project Name/Number: SCO - Homeowners/HO AR02627ARF01

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 01/02/2008

Comments:

Attachment:

P&C Transmittal Form.PDF

Satisfied -Name: Cover Letter, Cert of Compliance, Forms List, Forms Memo, AR - NAIC FORM FILING SCHEDULE **Review Status:** Approved 01/02/2008

Comments:

Attachments:

Cert of Compliance.PDF

Cover Letter.PDF

Forms List.PDF

Forms Memo.PDF

AR - NAIC FORM FILING SCHEDULE.PDF

Satisfied -Name: Objection Letter Response **Review Status:** Approved 01/02/2008

Comments:

Objection Letter Response

Attachment:

Objection Letter Response.PDF

Satisfied -Name: Form Correction **Review Status:** Approved 01/02/2008

Comments:

Correction to Mold Exclusion Form

Attachment:

Form Correction.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only

2. Insurance Department Use only

a. Date the filing is received: _____

b. Analyst: _____

c. Disposition: _____

d. Date of disposition of the filing: _____

e. Effective date of filing: _____

New Business	
Renewal Business	

f. State Filing #: _____

g. SERFF Filing #: _____

h. Subject Codes _____

3. Group Name					Group NAIC #
Assurant, Inc. Group					0019
4. Company Name(s)		Domicile	NAIC #	FEIN #	State #
American Reliable Insurance Company		AZ	19615	41-0735002	

5. Company Tracking Number	A-HO-07 5021
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Louis Mueller 8655 East Via De Ventura Scottsdale AZ 85258	Sr. Regulatory Analyst	800-535-1333		
7. Signature of authorized filer				
8. Please print name of authorized filer Louis Mueller				

Filing Information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	04.0 Homeowners
10. Sub-Type of Insurance (Sub-TOI)	04.0000 Homeowners Sub-TOI Combinations
11. State Specific Product code(s) (if applicable) [See State Specific Requirements]	
12. Company Program Title (Marketing Title)	Homeowners 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: 2/1/2008 Renewal: 3/1/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	11/30/2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	A-HO-07 5021
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

American Reliable Insurance Company is proposing forms revisions to its currently approved HO-8 Homeowners Product. We are requesting effective dates of February 1, 2008 for new and March 1, 2008 for renewal business.

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 #: EFT Amount: \$50.00 Forms Filing Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

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

ARKANSAS CERTIFICATE OF COMPLIANCE
(You may print or type the information required by this form)



I, Valley, Owens of
(Name) (Title of Authorized Officer)

American Reliable Insurance Company
(Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:

- a. Arkansas Code Annotated;
- b. Arkansas Rules and Regulations;
- c. Arkansas Insurance Bulletins, Directives and Orders;
- d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
- e. Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against the company.

3. Pursuant to Ark. Code Ann. § 23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? <i>(Yes or No)</i> ▶	Yes
-----------------------------------------------------------------------------------------	-----

If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number ▶ A-HO-07 5021	
Signature of Authorized Officer ▶	
Name of Authorized Officer ▶	Valley Owens
Title of Authorized Officer ▶	VP
Email address of Authorized Officer ▶	valley.owens@assurant.com
Telephone # of Authorized Officer ▶	800-535-1333
Date ▶	11/30/2007

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us



ASSURANT
Specialty
Property

American Reliable
Insurance Company
8655 E. Via De Ventura, Suite E200
Scottsdale, AZ 85258
T 480.483.8666 F 480.443-3785

www.assurant.com

November 30, 2007

Julie Benafield Bowman, Commissioner
Arkansas Department of Insurance
Property & Casualty Division
1200 West Third Street
Little Rock, AR 72201-1904

Re: American Reliable Insurance Company
NAIC: 0019-19615
FEIN: 41-0735002
Program: Homeowners
Form Revisions
Filing Number: A-HO-07 5021

Dear Commissioner Bowman:

American Reliable Insurance Company respectfully submits the attached forms revision filing to our currently approved Homeowners Program in Arkansas. Our proposed effective dates are February 1, 2008 for new business and March 1, 2008 for renewal business.

Enclosed for your review and consideration are:

- Filing Memorandum
- Certificate of Compliance
- P & C Transmittal Document
- Form Filing Transmittal
- New and revised Forms
- Filing Fee via EFT

We request the option of moving boxes, reformatting text and changing page size to accommodate system programming and client needs. The content will remain as approved by your Department.

Please feel free to contact me at the e-mail address or telephone number listed below if you should have any questions. We look forward to receiving your Department's approval.

Respectfully yours,

Louis Mueller
Sr. Regulatory Analyst
louis.mueller@assurant.com
Phone: (800)-535-1333, Ext. 391
Fax: (480)-443-3785

AMERICAN RELIABLE INSURANCE COMPANY
HOMEOWNERS (HO-8) PROGRAM
FILING MEMORANDUM

American Reliable Insurance Company is proposing forms revisions to its currently approved HO-8 Homeowners Product. We are requesting effective dates of February 1, 2008 for new and March 1, 2008 for renewal business.

The following forms changes have been made to the current filing:

The following forms are new:

A6010D1005	Declarations Page
M8000D1006	Declarations Page
HO 04 90 10 00	Personal Property Replacement Cost
HO 04 93 10 00	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing
A8481E0402	Actual Cash Value Defined
A6313E0306	Trampoline Exclusion

The following forms are replacements:

A6100P0206	Homeowners Policy Cover
HO 00 08 10 00	Homeowners Policy
HO 01 03 02 07	Special Provisions – Arkansas
HO 04 16 10 00	Premises Alarm or Fire Protection System
HO 04 41 10 00	Additional Insured
HO 04 54 10 00	Earthquake
HO 04 96 10 00	No Section II – Liability Coverages for Home Day Care Business
HO 24 70 10 00	Additional Residence Rented to Others
A6137E0501	Punitive Damage Exclusion
A6246E0404	Building Exclusion Endorsement
A6346E1206	Hazardous Substance Exclusion
A6344E1206	Mold Exclusion
A6312E0306	Swimming Pool or Spa Exclusion
A6320E0506	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse Exclusion
A6349E0107	Specific Breed Animal Exclusion

The following forms have been withdrawn:

HO 04 10 04 91	Additional Interests – Residence Premises
HO 04 48 04 91	Other Structures – Increased Limits
HO 04 54 06 94	Earthquake Coverage
HO 04 96 04 91	No Section II – Liability Coverage for Home Day Care
HO 24 70 04 91	Additional Residence Rented to Others
A6156E0801	Exclusion – Dwelling/Building
A6212E1102	Exclusion – Swimming Pool, Spa or Trampoline
A6283E0803	Animal Liability Exclusion
A6289E1005	Hazardous Substance Liability Exclusion
A6291E1005	Punitive Damages Exclusion
A6292E1105	Arkansas Mandatory Amendatory Endorsement
A8489E1002	Liability – Mold Exclusion
A8601E1203	Sexual Misconduct or Sexual Molestation Exclusion

There is a companion rate and rule filing.

AMERICAN RELIABLE INSURANCE COMPANY
HOMEOWNERS (HO-8) PROGRAM
FILING MEMORANDUM

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A6313E0306	Trampoline Exclusion

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A6246E0404	Building Exclusion Endorsement
A6346E1206	Hazardous Substance Exclusion
A6344E1206	Mold Exclusion
A6312E0306	Swimming Pool or Spa Exclusion
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A6156E0801	Exclusion – Dwelling/Building
A6212E1102	Exclusion – Swimming Pool, Spa or Trampoline
A6283E0803	Animal Liability Exclusion
A6289E1005	Hazardous Substance Liability Exclusion
A6291E1005	Punitive Damages Exclusion
A6292E1105	Arkansas Mandatory Amendatory Endorsement
A8489E1002	Liability – Mold Exclusion
A8601E1203	Sexual Misconduct or Sexual Molestation Exclusion

There is a companion rate and rule filing.

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.)

1.	This filing transmittal is part of Company Tracking #	A-HO-07 5021
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Declarations Page	A6010D1005 1005	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Declarations Page	M8000D1006 1006	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Personal Property Replacement Cost	HO 0490 1000 1000	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	HO 0493 1000 1000	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Actual Cash Value Defined	A8481E0402 0402	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Homeowners Policy Cover	A6100P0206 0206	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6010P	
07	Homeowners Policy	HO 0008 1000 0491	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6010P HO0008	
08	Special Provisions-Arkansas	HO 0103 0207 0207	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6010P HO0008 HO 0103	
09	Premises Alarm or Fire Protection System	HO 0416 1000 1000	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6010P HO0008 HO 0103 HO 0416	
10	Additional Insured	HO 0441 1000 1000	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6010P HO0008 HO 0103 HO 0416 HO 0441	
11	Earthquake	HO 0454 1000 1000	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	HO 0454	

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # A-HO-07 5021 Page 2 of 3

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
12	No Section II-Liability Coverages for Home Day Care Business	HO 0496 1000 1000	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	HO 0496	
13	Additional Residence Rented to Others	HO 2470 1000 1000	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	HO 0496 HO 2470	
14	Punitive Damage Exclusion	A6137E0501 0501	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6291E	
15	Building Exclusion Endorsement	A6246E0404 0404	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6291E A6156E	
16	Hazardous Substance Exclusion	A6346E1206 1206 1206	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6291E A6156E A6289E	
17	Additional Interests-Residence Premises	HO 0410 0491 0491	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn	A6291E A6156E A6289E	
18	Other Structures-Increased Limits	HO 0448 0491 0491	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn	A6291E A6156E A6289E	
19	Roof Exclusion	A6290E1005 1005 1005	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input checked="" type="checkbox"/> Withdrawn	A6291E A6156E A6289E	
20	Mold Exclusion	A6344E1206 1206 1206	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A8489E	
21	Swimming Pool or Spa Exclusion	A6312E0306 0306 0306	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A8489E A6212E	
22	Trampoline Exclusion	A6313E0306 0306 0306	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE *(cont.)*

State: Arkansas **Company Tracking #** A-HO-07 5021 **Page** 3 **of** 3

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
23	Sexual Molestation, Corporal Punishment or Physical or Mental Abuse	A6320E0506 0506 0506	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6212E	
24	Specific Breed Animal Exclusion	A6349E0107 0107 0107	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	A6283E	



ASSURANT
Specialty
Property

American Reliable
Insurance Company
8655 E. Via De Ventura, Suite E200
Scottsdale, AZ 85258
T 480.483.8666 F 480.443-3785

www.assurant.com

December 12, 2007

Arkansas Department of Insurance
Property & Casualty Division
1200 West Third Street
Little Rock, AR 72201-1904
Attn.: Becky Harrington

Re: American Reliable Insurance Company
NAIC: 0019-19615
FEIN: 41-0735002
Program: Homeowners
Form Revisions
Filing Number: A-HO-07 5021

Dear Ms. Harrington:

American Reliable Insurance Company has reviewed the objection letter dated December 5 2007. We have responded to you concerns and questions regarding this forms filing.

We have addressed the objections in the order that they were received.

1. Punitive Damage Exclusion – form A6137E0501 has been replaced with form A6381E1107, which contains the required wording.
2. Mold Exclusion – form A6344E1206 has been replaced with form A6385E1207, which contains the required wording.
3. Actual Cash Value Loss Settlement – form HO 04 93 10 00 has been replaced with A6290E1005, Roof Exclusion.
4. Declaration Page – We are withdrawing form M8000D1006

The replacement forms have been attached for your review.

Please feel free to contact me at the e-mail address or telephone number listed below if you should have any questions. We look forward to receiving your Department's approval.

Respectfully yours,

Louis Mueller
Sr. Regulatory Analyst
louis.mueller@assurant.com
Phone: (800)-535-1333, Ext. 391
Fax: (480)-443-3785

AMERICAN RELIABLE INSURANCE COMPANY

MOLD EXCLUSION

PROPERTY SECTION

Notwithstanding any other provision in this policy, there is no coverage for the following:

Any loss or damage involving in any way the actual or potential presence of mold, mildew or fungi of any kind.

We will not defend you with respect to any claim or lawsuit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire or damage that is a result of any other covered peril.

This exclusion applies to the policy and any and all attached endorsements. All other terms and conditions of the policy remain the same.

LIABILITY SECTION

Liability and Medical Payment to Others coverages do not apply to:

Any bodily injury, property damage or medical payment claim relating to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind.

We will not defend you with respect to any claim or lawsuit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire or damage that is a result of any other covered peril.

This exclusion applies to the policy and any and all attached endorsements. All other terms and conditions of the policy remain the same.

SERFF Tracking Number: ASPX-125374364 State: Arkansas
 Filing Company: American Reliable Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number: A-HO-07 5021
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: SCO - Homeowners
 Project Name/Number: SCO - Homeowners/HO AR02627ARF01

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.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Declarations Page	11/30/2007	M8000D1006.PDF
No original date	Form	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	11/30/2007	HO 0493 1000.PDF
No original date	Form	Punitive Damage Exclusion	11/30/2007	A6137E0501.PDF
No original date	Form	Mold Exclusion	11/30/2007	A6344E1206 1206.PDF

POLICY DECLARATIONS

Your Producer's Name and Address is:

A Stock Insurance Company
8655 E Via De Ventura
Scottsdale, AZ 85258-3321

Phone #:

POLICY NUMBER:

POLICY TERM: Effective Date: Expiration Date:

Effective 12:01 a.m. Standard Time at Location of Property Described.

PROPERTY INFORMATION: Year

DEDUCTIBLE(S) APPLIED TO THIS POLICY:

Named Insured & Mailing Address:

Location of Insured Property:

COVERAGES	This policy provides the following coverage for this unit, subject to forms listed on reverse side of this page: See SCHEDULE OF FORMS.	AMOUNT OF INSURANCE	PREMIUM
<p>ADDITIONAL EXCLUSIONS MAY APPLY</p>			
<p>Minimum Earned Premium:</p>		<p>TOTAL PREMIUM:</p>	

Program Code Territory Use



Please read your policy and endorsements for coverages, limitations, and exclusions.

TO REPORT A CLAIM

Please Report All Claims By Phone Directly To:

Phone: 1-800-245-1505

It is our commitment to provide you with the best service possible.

Normal business hours are Monday – Friday from 5:30 a.m. – 5:00 p.m. Mountain Standard Time.

After normal business hours, an answering service will take a message. All calls will be returned as soon as practical.

LIENHOLDERS

CREDITS / SURCHARGES: Yes / No

SCHEDULE OF FORMS:

Insurance Coverage is subject to all terms and conditions of this policy and applicable forms listed below.

<u>Form #</u>	<u>Description</u>
---------------	--------------------

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING

ALL FORMS EXCEPT HO 00 04

SECTION I – CONDITIONS

This endorsement modifies the Section I – Loss Settlement Condition in the policy form with respect to a covered loss for roof surfacing caused by the peril of windstorm or hail. Such loss will be subject to actual cash value loss settlement. Therefore, the loss settlement conditions that pertain to "repair or replacement cost without deduction for depreciation" are changed as noted below:

C. Loss Settlement

1. In all Forms except **HO 00 06** and **HO 00 08** and the Special Loss Settlement Endorsement:
 - a. Paragraph **1.c.** is deleted and replaced by the following:
 - c. Structures that are not buildings, including their roof surfacing;
 - b. The following is added to Paragraph **1.**:
 - e. Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail.
 - c. In Paragraph **2.**, the introductory statement "Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following": is deleted and replaced by the following:
 2. Buildings covered under Coverage **A** or **B**, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail, at replacement cost without deduction for depreciation, subject to the following:

2. In Form **HO 00 06**, Condition **C. Loss Settlement** is deleted and replaced by the following:

C. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property and grave markers, including mausoleums; and
 - b. Roof surfacing if the loss is caused by the peril of windstorm or hail;
at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Coverage **A**, except for roof surfacing if loss is caused by the peril of windstorm or hail:
 - a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
 - b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.10. Ordinance Or Law** under Section I – Property Coverages.

3. In Form HO 00 08:

- a.** Paragraph **1.c.** is deleted and replaced by the following:
 - c.** Structures that are not buildings, including their roof surfacing;
- b.** The following paragraph is added to Paragraph **1.:**
 - d.** Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail.
- c.** In Paragraph **2.** the introductory statement "Buildings under Coverage **A** or **B**": is deleted and replaced by the following:
 - 2.** Buildings under Coverage **A** or **B**, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail:

The provisions of this endorsement do not apply to structures insured under either the Coverage **B** – Other Structures Away From The Residence Premises Endorsement or the Specific Structures Away From The Residence Premises Endorsement, if made a part of the policy.

All other provisions of this policy apply.

**AMERICAN RELIABLE INSURANCE COMPANY
PUNITIVE DAMAGES EXCLUSION**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to any claim of or indemnification for punitive or exemplary damages. If a suit seeking both compensatory and punitive or exemplary damages has been brought against you for a claim covered by this policy, we will provide defense for such action. We will not have any obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages. This endorsement does not exclude wrongful death punitive damages.

All other provisions of this policy apply.

AMERICAN RELIABLE INSURANCE COMPANY

MOLD EXCLUSION

PROPERTY SECTION

Notwithstanding any other provision in this policy, there is no coverage for the following:

Any loss or damage involving in any way the actual or potential presence of mold, mildew or fungi of any kind whatsoever, whether occurring independently or if directly or indirectly caused by or resulting from an Insured Peril.

We will not defend you with respect to any claim or lawsuit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire.

This exclusion applies to the policy and any and all attached endorsements. All other terms and conditions of the policy remain the same.

LIABILITY SECTION

Liability and Medical Payment to Others coverages do not apply to:

Any bodily injury, property damage or medical payment claim of any kind, whether occurring independently or if directly or indirectly relating to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever.

We will not defend you with respect to any claim or lawsuit seeking such damages.

We will not pay for any loss, cost or expense that you may incur in testing for, monitoring, removing, treating, or in any way responding to the actual, potential, alleged or threatened presence of mold, mildew or fungi of any kind whatsoever. We do not cover any loss consisting of, caused by, contributed to, or aggravated by mold, mildew or fungi.

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire.

This exclusion applies to the policy and any and all attached endorsements. All other terms and conditions of the policy remain the same.