

SERFF Tracking Number: TRVA-125567376 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$50
Connecticut, ...
Company Tracking Number: 2008-03-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Homeowners/2008-03-0063

Filing at a Glance

Companies: The Automobile Insurance Company of Hartford, Connecticut, The Standard Fire Insurance Company, The Travelers Home and Marine Insurance Company, The Travelers Indemnity Company of America, Travelers Commercial Insurance Company

Product Name: Homeowners	SERFF Tr Num: TRVA-125567376	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations	Co Tr Num: 2008-03-0063	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
	Author: Ann Lavorgna	Disposition Date: 05/28/2008
	Date Submitted: 03/21/2008	Disposition Status: Approved
Effective Date Requested (New): 06/27/2008		Effective Date (New): 06/27/2008
Effective Date Requested (Renewal):		Effective Date (Renewal):
State Filing Description:		

General Information

Project Name: Homeowners	Status of Filing in Domicile:
Project Number: 2008-03-0063	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 05/28/2008	
State Status Changed: 03/21/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Homeowner form revisions	

Company and Contact

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Filing Contact Information

Ann Lavorgna, Regulatory Analyst AJLAVORG@travelers.com
 One Tower Square (860) 277-5466 [Phone]
 Hartford, CT 06183 (860) 277-5204[FAX]

Filing Company Information

The Automobile Insurance Company of Hartford, Connecticut CoCode: 19062 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 06-0848755

The Standard Fire Insurance Company CoCode: 19070 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 06-6033509

The Travelers Home and Marine Insurance Company CoCode: 27998 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 35-1838079

The Travelers Indemnity Company of America CoCode: 25666 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 58-6020487

Travelers Commercial Insurance Company CoCode: 36137 State of Domicile: Connecticut
 One Tower Square Group Code: 3548 Company Type: Property/Casualty
 Hartford, CT 06183 Group Name: State ID Number:
 (860) 277-7395 ext. [Phone] FEIN Number: 06-1286268

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Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Automobile Insurance Company of Hartford, Connecticut	\$50.00	03/21/2008	18858460
The Standard Fire Insurance Company	\$0.00	03/21/2008	
The Travelers Home and Marine Insurance Company	\$0.00	03/21/2008	
The Travelers Indemnity Company of America	\$0.00	03/21/2008	
Travelers Commercial Insurance Company	\$0.00	03/21/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Becky Harrington	05/28/2008	05/28/2008
Approved	Becky Harrington	04/30/2008	04/30/2008

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	03/21/2008	03/21/2008

Response Letters

Responded By	Created On	Date Submitted
Ann Lavorgna	04/30/2008	04/30/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Special Provisions - Arkansas	Form	Ann Lavorgna	05/22/2008	05/22/2008
Special Provisions - Arkansas	Form	Ann Lavorgna	05/22/2008	05/22/2008
Form Changes	Supporting Document	Ann Lavorgna	05/22/2008	05/22/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Editorial Changes	Note To Reviewer	Ann Lavorgna	05/21/2008	05/21/2008

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Project Name/Number: Homeowners/2008-03-0063

Disposition

Disposition Date: 05/28/2008
Effective Date (New): 06/27/2008
Effective Date (Renewal):
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cert	Approved	Yes
Supporting Document (revised)	Form Changes	Approved	Yes
Supporting Document	Form Changes	Approved	Yes
Form (revised)	Special Provisions - Arkansas	Approved	Yes
Form	Special Provisions - Arkansas		Yes
Form	Special Provisions - Arkansas		Yes
Form (revised)	Special Provisions - Arkansas	Approved	Yes
Form	Special Provisions - Arkansas		Yes
Form	Special Provisions - Arkansas		Yes

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Disposition

Disposition Date: 04/30/2008
Effective Date (New): 06/27/2008
Effective Date (Renewal): 06/27/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cert	Approved	Yes
Supporting Document (revised)	Form Changes	Approved	Yes
Supporting Document	Form Changes	Approved	Yes
Form (revised)	Special Provisions - Arkansas	Approved	Yes
Form	Special Provisions - Arkansas		Yes
Form	Special Provisions - Arkansas		Yes
Form (revised)	Special Provisions - Arkansas	Approved	Yes
Form	Special Provisions - Arkansas		Yes
Form	Special Provisions - Arkansas		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 03/21/2008
Submitted Date 03/21/2008

Respond By Date

Dear Ann Lavorgna,

This will acknowledge receipt of the captioned filing.

Objection 1

- Special Provisions - Arkansas (Form)

Comment:

Please amend the mortgage clause to comply with §23-88-105.

Objection 2

- Special Provisions - Arkansas (Form)

Comment: Detail the changes made from previously approved versions.

Objection 3

- Special Provisions - Arkansas (Form)

Comment: The previous version of this endorsement included a revision to Exclusion A.10. Fungi, Other Microbes or Rot specific to AR. Explain why this language was removed.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/30/2008
Submitted Date 04/30/2008

Dear Becky Harrington,

SERFF Tracking Number: TRVA-125567376 State: Arkansas
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Project Name/Number: Homeowners/2008-03-0063

Comments:

Response 1

Comments: The following is in response to your objection letter:

Objection 1

. Special Provisions - Arkansas, HA-300 AR, 06-2008, Endorsement/Amendment/Conditions (Form)

Comment: Please amend the mortgage clause to comply with §23-88-105.

Response: Our review of §23-88-105, found that the notice requirement references the insured and insurance producer, but does not reference the mortgagee. Our current policy is to give the mortgagee 30 days notice before non-renewal takes effect. In keeping with our current policy, we have amended the mortgage clause to provide 30 days notice before non-renewal takes effect.

Objection 2

. Special Provisions - Arkansas, HA-300 AR, 06-2008, Endorsement/Amendment/Conditions (Form)

Comment: Detail the changes made from previously approved versions.

Response: Copies of both the HA-300 AR (06-08) and the HO-300 AR (06-08) showing the clarification in red are attached for your review.

Objection 3

. Special Provisions - Arkansas, HO-300 AR, 06-2008, Endorsement/Amendment/Conditions (Form)

Comment: The previous version of this endorsement included a revision to Exclusion A.10. Fungi, Other Microbes or Rot specific to AR. Explain why this language was removed.

Response: Thank you for bringing this to our attention. Exclusion A.10 should have remained in the policy. Its removal was a typo when the clarifications were added. The Exclusion A.10 is back in the form.

Attached are copies of the revised forms.

Related Objection 1

Applies To:

- Special Provisions - Arkansas (Form)

Comment:

Please amend the mortgage clause to comply with §23-88-105.

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Related Objection 2

Applies To:
 - Special Provisions - Arkansas (Form)
 Comment:
 Detail the changes made from previously approved versions.

Related Objection 3

Applies To:
 - Special Provisions - Arkansas (Form)
 Comment:
 The previous version of this endorsement included a revision to Exclusion A.10. Fungi, Other Microbes or Rot specific to AR. Explain why this language was removed.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
<i>Special Provisions - Arkansas</i>	<i>HO-300 AR</i>	<i>06-2008</i>	<i>Endorsement/Amendment/Conditions</i>	<i>Replaced</i>		<i>55</i>	<i>HO300AR F08rev.pdf</i>
Previous Version							
<i>Special Provisions - Arkansas</i>	<i>HO-300 AR</i>	<i>06-2008</i>	<i>Endorsement/Amendment/Conditions</i>	<i>Replaced</i>		<i>55</i>	<i>HO300AR J08.pdf</i>
<i>Special Provisions - Arkansas</i>	<i>HA-300 AR</i>	<i>06-2008</i>	<i>Endorsement/Amendment/Conditions</i>	<i>Replaced</i>		<i>47</i>	<i>ha300ARF 08rev.pdf</i>
Previous Version							
<i>Special Provisions - Arkansas</i>	<i>HA-300 AR</i>	<i>06-2008</i>	<i>Endorsement/Amendment/Conditions</i>	<i>Replaced</i>		<i>47</i>	<i>ha300ARL 08.pdf</i>

No Rate/Rule Schedule items changed.

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Response 2

Comments: Changes to the forms

Related Objection 1

Applies To:

- Special Provisions - Arkansas (Form)

Comment:

Please amend the mortgage clause to comply with §23-88-105.

Related Objection 2

Applies To:

- Special Provisions - Arkansas (Form)

Comment:

Detail the changes made from previously approved versions.

Related Objection 3

Applies To:

- Special Provisions - Arkansas (Form)

Comment:

The previous version of this endorsement included a revision to Exclusion A.10. Fungi, Other Microbes or Rot specific to AR. Explain why this language was removed.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form Changes

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Ann Lavorgna

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Amendment Letter

Amendment Date:
 Submitted Date: 05/22/2008

Comments:

Becky,

Thank you for opening this filing. The following changes were made:

- We made the Earth Movement language consistent between the HA-300 AR and HO-300 AR by adding the Effusion item to the HO-300 AR.
- Under the Water Damage exclusion, item b. Levee Overflow was moved to the end of the list, making it item d., so that paragraphs Water Backup and Seepage moved back to being paragraphs b. and c. matching the base form.

The revised forms are attached.

Thank you,
 Ann

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Special Provisions - Arkansas	HO-300 AR	06-2008	Endorsement/Amendment/Conditions	Replaced			55	HO300ARF08 New.pdf

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Special Provisions - Arkansas	HA-300 AR	06-2008	Endorsement/Amendment/Conditions	Replaced			47	ha300ARF08 New.pdf

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Supporting Document Schedule Item Changes:

User Added -Name: Form Changes

Comment:

ha300ARF08Old.pdf

HO300ARF08Old.pdf

SERFF Tracking Number: TRVA-125567376 *State:* Arkansas
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Note To Reviewer

Created By:

Ann Lavorgna on 05/21/2008 07:57 AM

Subject:

Editorial Changes

Comments:

Becky,

Thank you for this approval. Our state team who worked on the forms realized we need to clarify our intent and make some editorial changes to better align the two forms with the policy.

Can this filing be reopened to provide the editorial changes for these two forms.

Thank you,

Ann Lavorgna

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Special Provisions - Arkansas	HO-300 AR	06-2008	Endorsement/Amendment/Conditions	Replaced Form #:54.70 Previous Filing #:		HO300ARF08New.pdf
Approved	Special Provisions - Arkansas	HA-300 AR	06-2008	Endorsement/Amendment/Conditions	Replaced Form #:46.60 Previous Filing #:		ha300ARF08New.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - ARKANSAS

SECTION I - ADDITIONAL COVERAGES

16. Limited "Fungi", Other Microbes Or Rot Remediation.

Paragraph a.(1)(a) is deleted.

This is additional coverage 15. in Form HO-6.

SECTION I EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
 - (2) Any human action or inaction;
 - (3) The forces of animals, plants or other living or dead organisms; or
 - (4) Any other natural or artificial process.
2. **Earth Movement** is deleted and replaced by the following:
2. **"Earth Movement"**, meaning events that include but are not limited to the following:
- a. Earthquake and earthquake aftershocks;
 - b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
 - c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
 - d. Sinkhole;
 - e. Subsidence;
 - f. Excavation collapse;

- g. Erosion;
- h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any "Earth Movement" is covered.

3. **Water Damage** is deleted and replaced by the following:

3. **"Water damage"**, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;
- b. any water or water borne material that enters through or backs up from a sewer or drain, or which overflows from a sump;
- c. any water or water borne material located below the surface of the ground including water or water borne material:
 - (1) Which exerts pressure on, seeps, leaks or flows into:
 - (a) Any part of the dwelling or other structures;
 - (b) The foundation of the dwelling or other structures;
 - (c) Any paved surface located on the "residence premises"; or
 - (d) Any spa, hot tub, or swimming pool.
 - (2) Which causes "earth movement"; or
- d. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device.

Direct loss by fire, explosion or theft resulting from "water damage" will be covered.

- 10. "Fungi", Other Microbes or Rot** is deleted and replaced by the following:
- 10. "Fungi", Other Microbes or Rot**, meaning any loss or cost resulting from, arising out of, caused by, consisting of, or related to, "fungi", other microbes or rot. This exclusion does not apply to:
- "Fungi", other microbes or rot located upon the portion of covered property that must be repaired or replaced because of direct physical damage that results from a Peril Insured Against; or
 - "Fungi", other microbes or rot remediation coverage that may be afforded under Additional Coverage **16. Limited "Fungi", Other Microbes Or Rot Remediation.**

SECTION I - CONDITIONS

- 7. Appraisal.** is deleted and replaced by the following:
- 7. 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 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 appraiser 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:

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

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

- 9. Suit Against Us.** is deleted and replaced by the following:
- 9. 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.

- 12. Mortgage Clause** is amended as follows:

Paragraph **c.** is deleted and replaced by the following:

- c.** If we decide to cancel this policy, the mortgagee will be notified:
- At least 10 days before the date cancellation takes effect if:
 - We cancel for nonpayment of premium, or
 - The policy has been in effect for less than 60 days and is not a renewal with us; or
 - 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.

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

- 5. Property Damage Coverage For Military Personnel and Federal Government Employees:**

If an "insured" is:

- A United States Government Employee; or
- A member of the United States Military,

We agree to pay for "property damage" to United States government property, for which such "insured" is responsible under applicable rules or regulations.

Payment for such "property damage" will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per "occurrence", under this Additional Coverage for all damages resulting from any one "occurrence" shall not exceed two months basic pay for the "insured", as of the time of the "occurrence".

We will not pay for "property damage" to:

- Aircraft;
- "Motor vehicles";
- Watercraft; or
- Weapons.

We will not pay for "property damage":

- a. To the extent of any amount payable under Section I of this policy; or
- b. Caused intentionally by any "insured" who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

3. **Cancellation.** Paragraph **b.(3)** is deleted and replaced by the following:

- (3) 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:
 - (a) 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 the policy;
 - (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (c) 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;

- (d) For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- (e) 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.

6. **Subrogation** is deleted and replaced by the following:

6. **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 3. 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.

SPECIAL PROVISIONS - ARKANSAS

DEFINITIONS

The following definition is added:

10. "fuel system" means:

- a. One or more containers, tanks or vessels which have a total combined fuel storage capacity of 100 or more U.S. gallons; and:
 - (1) Are, or were, used to hold fuel; and
 - (2) Are, or were, located on any one location;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph a.;
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph a.;
- d. A boiler, furnace or a water heater, the fuel for which is stored in a container, tank or vessel described in Paragraph a.;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph a.; or
- f. A structure that is specifically designed and built to hold escaped or released fuel from one or more containers, tanks or vessels described in Paragraph a.

A **fuel system** does not include any fuel tanks that are permanently affixed to a motor vehicle or watercraft owned by an **insured**, used for powering the motor vehicle or watercraft and not used at any time or in any manner for **business**.

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items **8.**, and **9.** are deleted and replaced by the following:

- 8.** \$5,000 on property, on the **residence premises** used at any time or in any manner for any **business** purpose.
- 9.** \$1,000 on property away from the **residence premises** used at any time or in any manner for any **business** purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.

ADDITIONAL COVERAGES

8. Collapse is deleted and replaced by the following:

8. Collapse.

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability applying to the damaged covered property.

The following additional coverage is added to forms **HO-2** and **HO-3** only.

- **Ordinance or Law.**
 - a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against.
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
 - b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
 - c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires 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 on any covered building or other structure.

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

This coverage is additional insurance.

SECTION I EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

2. **Earth Movement** is deleted and replaced by the following:

2. **Earth Movement**, meaning events that include but are not limited to the following:

- a. Earthquake and earthquake aftershocks;
- b. Volcano activity including but not limited to:
 - 1. Volcanic Eruption;
 - 2. Volcanic Explosion;
 - 3. Effusion of volcanic material; or
 - 4. Lava Flow;
- c. Mudslide, including mudflow, debris flow, land-slide, avalanche, or sediment;
- d. Sinkhole;
- e. Subsidence;
- f. Excavation collapse;
- g. Erosion;

- h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any **Earth Movement** is covered.

- 3. **Water Damage** is deleted and replaced by the following:
 - 3. **Water damage**, meaning:
 - a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;
 - b. any water or water borne material that enters through or backs up from a sewer or drain, or which overflows from a sump;
 - c. any water or water borne material located below the surface of the ground including water or water borne material:
 - (1) Which exerts pressure on, seeps, leaks or flows into:
 - (a) Any part of the dwelling or other structures;
 - (b) The foundation of the dwelling or other structures;
 - (c) Any paved surface located on the **residence premises**; or
 - (d) Any spa, hot tub, or swimming pool.
 - (2) Which causes **earth movement**; or
 - d. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device.

Direct loss by fire, explosion or theft resulting from **water damage** will be covered.

SECTION I - CONDITIONS

- 3. **Loss Settlement.** Paragraph **c.(4)** in Forms **HO-2** and **HO-3** is deleted and replaced by the following:

- (4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above.

However, if the cost to repair or replace is less than \$2,500 we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above, whether or not actual repair or replacement is complete.

- 6. **Appraisal.** is deleted and the following substituted:

- 6. **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 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 appraiser 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:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

- 7. **Other Insurance**, in Form **HA-6** only, is deleted and replaced by the following:

- 7. **Other Insurance and Service Agreement.**

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

- (1) Other insurance, except insurance in the name of a corporation or association of property owners, 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.

- b. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

8. **Suit Against Us.** is deleted and the following substituted:

8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of loss.

12. **Mortgage Clause** is amended as follows:

The sentence "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 non-renewal takes effect." is deleted and replaced by the following:

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.

SECTION II - EXCLUSIONS

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others:** The following items are added:

- or any loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation

or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

- (1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or
- (3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form.

- arising out of, resulting from, caused by or contributed to by the escape or release of fuel from a **fuel system**. This exclusion applies, but is not limited to:

- (1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or
- (3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

However, this exclusion does not apply to **bodily injury** or **property damage** arising out of fire or explosion that results from such escaped or released fuel.

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. **Property Damage** coverage for Military Personnel and Federal Government Employees.

If an **insured** is:

- a. a United States Government Employee; or

- b. a member of the United States Military,

We agree to pay for **property damage** to United States government property, for which such **insured** is responsible under applicable rules or regulations.

Payment for such **property damage** will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per **occurrence**, under this Additional Coverage for all damages resulting from any one **occurrence** shall not exceed two months basic pay for the **insured**, as of the time of the **occurrence**.

We will not pay for **property damage** to:

- a. **aircraft**; or
- b. motor vehicles, including vehicles not designed for travel on public roads or subject to registration; or
- c. watercraft; or
- d. weapons.

We will not pay for **property damage**:

- a. to the extent of any amount payable under **Section I** of this policy; or
- b. caused intentionally by any **insured** who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

- 5. **Cancellation.** Paragraphs **b.(3)** and **b.(4)** are deleted and replaced by the following:

- 3. 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:

- a. 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 the policy;
- b. Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- c. 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;
- d. For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- e. 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.

- 4. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **b.(3)** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

All other provisions of this policy apply.

SERFF Tracking Number: TRVA-125567376 State: Arkansas
First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$50
Connecticut, ...
Company Tracking Number: 2008-03-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: Homeowners/2008-03-0063

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 04/30/2008

Comments:

Attachments:

TD-1.pdf

PC FFS-1.pdf

Satisfied -Name: Cert **Review Status:** Approved 04/30/2008

Comments:

Attachment:

Ar-cert.pdf

Satisfied -Name: Form Changes **Review Status:** Approved 05/28/2008

Comments:

Attachments:

ha300ARF08Old.pdf

HO300ARF08Old.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 #
Travelers	3548

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
The Standard Fire Insurance Co.	CT	3548-19070	06-6033509	
The Auto Insurance Co. of Hartford, CT	CT	3548-19062	06-0848755	
The Travelers Indemnity Co of America	CT	3548-25666	58-6020487	
The Travelers Home and Marine Ins. Co.	CT	3548-27998	35-1838079	
Travelers Commercial Ins. Co.	CT	3548-36137	06-1286268	

5. Company Tracking Number	2008-03-0063
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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
Ann Lavorgna One Tower Square Hartford, CT 06183	Regulatory Analyst	(860) 277-5466	(860) 277-5204	AJLAVORG@travelers.com
One Tower Square Hartford, CT 06183		(860) 277-	(860) 277-	

7. Signature of authorized filer	<i>Ann Lavorgna</i>
8. Please print name of authorized filer	Ann Lavorgna

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

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	Homeowners
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Travelers Homeowners
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: June 27, 2008 Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	March 21, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	2008-03-0063
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Homeowners
Effective June 27, 2008

This filing involves revisions to the HO-300 AR (10-06) and HA-300 AR (12-02) Special Provisions endorsements. Our proposed endorsements, HO-300 AR (06-08) and HA-300 AR (06-08) will eliminate redundancies and clarify the coverage provided by our homeowners policy.

The proposed change has no premium impact, as the HO-300 AR (06-08) and HA-300 AR (06-08) are non-premium bearing.

We propose to begin using these changes effective June 27, 2008.

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 #:
Amount:

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

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

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 #	2008-03-0063			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
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	Special Provisions - Arkansas	HO-300 AR (06-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	HO-300 AR (10-06)	
02	Special Provisions - Arkansas	HA-300 AR (06-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	HA-300 AR (12-02)	
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**STATE OF ARKANSAS
REVISED CERTIFICATE OF COMPLIANCE**

COMPANY NAME: The Standard Fire Insurance Company
DESCRIPTION: Homeowners Program
FORM NUMBER: See Below
EDITION DATE: See Below

This is to certify that the above captioned policy form has achieved a Flesch Reading Ease Test Score of See Below and complies with the requirements of Act 517 of 1981 (Ark. State Ann. Sec. 23-80-301 – 23-80-308) and Rule and Regulation 29.



Signature of Officer of Company

Vice President

Title

If a policy is scored by a method other than the Flesch Reading Ease Test, the alternate method should be Explained in detail.

HO-300 AR (06-08) 54.7
HA-300 AR (06-08) 46.6

**STATE OF ARKANSAS
REVISED CERTIFICATE OF COMPLIANCE**

COMPANY NAME: The Automobile Insurance Co. of Hartford, CT
DESCRIPTION: Homeowners Program
FORM NUMBER: See Below
EDITION DATE: See Below

This is to certify that the above captioned policy form has achieved a Flesch Reading Ease Test Score of See Below and complies with the requirements of Act 517 of 1981 (Ark. State Ann. Sec. 23-80-301 – 23-80-308) and Rule and Regulation 29.



Signature of Officer of Company

Vice President

Title

If a policy is scored by a method other than the Flesch Reading Ease Test, the alternate method should be Explained in detail.

HO-300 AR (06-08) 54.7
HA-300 AR (06-08) 46.6

**STATE OF ARKANSAS
REVISED CERTIFICATE OF COMPLIANCE**

COMPANY NAME: The Travelers Indemnity Company of America
DESCRIPTION: Homeowners Program
FORM NUMBER: See Below
EDITION DATE: See Below

This is to certify that the above captioned policy form has achieved a Flesch Reading Ease Test Score of See Below and complies with the requirements of Act 517 of 1981 (Ark. State Ann. Sec. 23-80-301 – 23-80-308) and Rule and Regulation 29.



Signature of Officer of Company

Vice President

Title

If a policy is scored by a method other than the Flesch Reading Ease Test, the alternate method should be Explained in detail.

HO-300 AR (06-08) 54.7
HA-300 AR (06-08) 46.6

**STATE OF ARKANSAS
REVISED CERTIFICATE OF COMPLIANCE**

COMPANY NAME: The Travelers Home and Marine Insurance Company
DESCRIPTION: Homeowners Program
FORM NUMBER: See Below
EDITION DATE: See Below

This is to certify that the above captioned policy form has achieved a Flesch Reading Ease Test Score of See Below and complies with the requirements of Act 517 of 1981 (Ark. State Ann. Sec. 23-80-301 – 23-80-308) and Rule and Regulation 29.



Signature of Officer of Company

Vice President

Title

If a policy is scored by a method other than the Flesch Reading Ease Test, the alternate method should be Explained in detail.

HO-300 AR (06-08) 54.7
HA-300 AR (06-08) 46.6

**STATE OF ARKANSAS
REVISED CERTIFICATE OF COMPLIANCE**

COMPANY NAME: Travelers Commercial Insurance Company
DESCRIPTION: Homeowners Program
FORM NUMBER: See Below
EDITION DATE: See Below

This is to certify that the above captioned policy form has achieved a Flesch Reading Ease Test Score of See Below and complies with the requirements of Act 517 of 1981 (Ark. State Ann. Sec. 23-80-301 – 23-80-308) and Rule and Regulation 29.



Signature of Officer of Company

Vice President

Title

If a policy is scored by a method other than the Flesch Reading Ease Test, the alternate method should be Explained in detail.

HO-300 AR (06-08) 54.7
HA-300 AR (06-08) 46.6

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - ARKANSAS

DEFINITIONS

The following definition is added:

10. "fuel system" means:

- a. One or more containers, tanks or vessels which have a total combined fuel storage capacity of 100 or more U.S. gallons; and:
 - (1) Are, or were, used to hold fuel; and
 - (2) Are, or were, located on any one location;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph a.;
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph a.;
- d. A boiler, furnace or a water heater, the fuel for which is stored in a container, tank or vessel described in Paragraph a.;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph a.; or
- f. A structure that is specifically designed and built to hold escaped or released fuel from one or more containers, tanks or vessels described in Paragraph a.

A **fuel system** does not include any fuel tanks that are permanently affixed to a motor vehicle or watercraft owned by an **insured**, used for powering the motor vehicle or watercraft and not used at any time or in any manner for **business**.

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items **8.**, and **9.** are deleted and replaced by the following:

- 8.** \$5,000 on property, on the **residence premises** used at any time or in any manner for any **business** purpose.
- 9.** \$1,000 on property away from the **residence premises** used at any time or in any manner for any **business** purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.

ADDITIONAL COVERAGES

8. Collapse is deleted and replaced by the following:

8. Collapse.

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability applying to the damaged covered property.

The following additional coverage is added to forms **HO-2** and **HO-3** only.

- **Ordinance or Law.**
 - a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against.
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
 - b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
 - c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires 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 on any covered building or other structure.

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

This coverage is additional insurance.

SECTION I EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

2. **Earth Movement** is deleted and replaced by the following:

2. **Earth Movement**, meaning events that include but are not limited to the following:

- a. Earthquake and earthquake aftershocks;
- b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
- c. Mudslide, including mudflow, debris flow, land-slide, avalanche, or sediment;
- d. Sinkhole;
- e. Subsidence;
- f. Excavation collapse;
- g. Erosion;

- h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any **Earth Movement** is covered.

- 3. **Water Damage** is deleted and replaced by the following:

- 3. **Water damage**, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;

- b. any water or water borne material that enters through or backs up from a sewer or drain, or which overflows from a sump;

- c. any water or water borne material located below the surface of the ground including water or water borne material:

- (1) Which exerts pressure on, seeps, leaks or flows into:

- (a) Any part of the dwelling or other structures;

- (b) The foundation of the dwelling or other structures;

- (c) Any paved surface located on the residence premises; or

- (d) Any spa, hot tub, or swimming pool.

- (2) Which causes earth movement; or

- d. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device.

Direct loss by fire, explosion or theft resulting from **water damage** will be covered.

SECTION I - CONDITIONS

- 3. **Loss Settlement.** Paragraph c.(4) in Forms **HO-2** and **HO-3** is deleted and replaced by the following:

- (4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of c.(1) and c.(2) above.

However, if the cost to repair or replace is less than \$2,500 we will settle the loss according to the provisions of c.(1) and c.(2) above, whether or not actual repair or replacement is complete.

- 6. **Appraisal.** is deleted and the following substituted:

- 6. **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 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 appraiser 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:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

- 7. **Other Insurance**, in Form **HA-6** only, is deleted and replaced by the following:

- 7. **Other Insurance and Service Agreement.**

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

- (1) Other insurance, except insurance in the name of a corporation or association of property owners, 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.

b. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

8. **Suit Against Us.** is deleted and the following substituted:

8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of loss.

12. **Mortgage Clause** is amended as follows:

The sentence "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 non-renewal takes effect." is deleted and replaced by the following:

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.

SECTION II - EXCLUSIONS

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others:** The following items are added:

- or any loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation

or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

(1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;

(2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or

(3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form.

- arising out of, resulting from, caused by or contributed to by the escape or release of fuel from a **fuel system**. This exclusion applies, but is not limited to:

(1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;

(2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or

(3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

However, this exclusion does not apply to **bodily injury** or **property damage** arising out of fire or explosion that results from such escaped or released fuel.

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. **Property Damage** coverage for Military Personnel and Federal Government Employees.

If an **insured** is:

- a. a United States Government Employee; or

- b. a member of the United States Military,

We agree to pay for **property damage** to United States government property, for which such **insured** is responsible under applicable rules or regulations.

Payment for such **property damage** will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per **occurrence**, under this Additional Coverage for all damages resulting from any one **occurrence** shall not exceed two months basic pay for the **insured**, as of the time of the **occurrence**.

We will not pay for **property damage** to:

- a. **aircraft**; or
- b. motor vehicles, including vehicles not designed for travel on public roads or subject to registration; or
- c. watercraft; or
- d. weapons.

We will not pay for **property damage**:

- a. to the extent of any amount payable under **Section I** of this policy; or
- b. caused intentionally by any **insured** who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

- 5. **Cancellation.** Paragraphs **b.(3)** and **b.(4)** are deleted and replaced by the following:

- 3. 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:

- a. 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 the policy;
- b. Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- c. 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;
- d. For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- e. 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.

- 4. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **b.(3)** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - ARKANSAS

SECTION I - ADDITIONAL COVERAGES

16. Limited "Fungi", Other Microbes Or Rot Remediation.

Paragraph a.(1)(a) is deleted.

This is additional coverage 15. in Form HO-6.

SECTION I EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
 - (2) Any human action or inaction;
 - (3) The forces of animals, plants or other living or dead organisms; or
 - (4) Any other natural or artificial process.
2. **Earth Movement** is deleted and replaced by the following:
 2. **"Earth Movement"**, meaning events that include but are not limited to the following:
 - a. Earthquake and earthquake aftershocks;
 - b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
 - c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
 - d. Sinkhole;
 - e. Subsidence;
 - f. Excavation collapse;

- g. Erosion;
- h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any "Earth Movement" is covered.

3. **Water Damage** is deleted and replaced by the following:

3. **"Water damage"**, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;

- b. any water or water borne material that enters through or backs up from a sewer or drain, or which overflows from a sump;

- c. any water or water borne material located below the surface of the ground including water or water borne material:

- (1) Which exerts pressure on, seeps, leaks or flows into:

- (a) Any part of the dwelling or other structures;

- (b) The foundation of the dwelling or other structures;

- (c) Any paved surface located on the "residence premises"; or

- (d) Any spa, hot tub, or swimming pool.

- (2) Which causes "earth movement"; or

- d. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device.

Direct loss by fire, explosion or theft resulting from "water damage" will be covered.

- 10. "Fungi", Other Microbes or Rot** is deleted and replaced by the following:
- 10. "Fungi", Other Microbes or Rot**, meaning any loss or cost resulting from, arising out of, caused by, consisting of, or related to, "fungi", other microbes or rot. This exclusion does not apply to:
- a. "Fungi", other microbes or rot located upon the portion of covered property that must be repaired or replaced because of direct physical damage that results from a Peril Insured Against; or
 - b. "Fungi", other microbes or rot remediation coverage that may be afforded under Additional Coverage **16. Limited "Fungi", Other Microbes Or Rot Remediation.**

SECTION I - CONDITIONS

- 7. Appraisal.** is deleted and replaced by the following:
- 7. 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 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 appraiser 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:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

- 9. Suit Against Us.** is deleted and replaced by the following:
- 9. 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.

- 12. Mortgage Clause** is amended as follows:

Paragraph **c.** is deleted and replaced by the following:

- c.** If we decide to cancel this policy, the mortgagee will be notified:
- (1) At least 10 days before the date cancellation takes effect if:
 - (a) We cancel for nonpayment of premium, or
 - (b) The policy has been in effect for less than 60 days and is not a renewal with us; or
 - (2) At least 20 days before the date cancellation takes effect in all other cases.

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

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

- 5. Property Damage Coverage For Military Personnel and Federal Government Employees:**

If an "insured" is:

- a. A United States Government Employee; or
- b. A member of the United States Military,

We agree to pay for "property damage" to United States government property, for which such "insured" is responsible under applicable rules or regulations.

Payment for such "property damage" will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per "occurrence", under this Additional Coverage for all damages resulting from any one "occurrence" shall not exceed two months basic pay for the "insured", as of the time of the "occurrence".

We will not pay for "property damage" to:

- a. Aircraft;
- b. "Motor vehicles";
- c. Watercraft; or
- d. Weapons.

We will not pay for "property damage":

- a. To the extent of any amount payable under Section I of this policy; or
- b. Caused intentionally by any "insured" who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

3. **Cancellation.** Paragraph **b.(3)** is deleted and replaced by the following:

- (3) 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:
 - (a) 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 the policy;
 - (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (c) 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;

- (d) For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- (e) 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.

6. **Subrogation** is deleted and replaced by the following:

6. **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 3. Damage To Property Of Others under Section II – Additional Coverages.

All other provisions of this policy apply.

SERFF Tracking Number: TRVA-125567376 State: Arkansas
 First Filing Company: The Automobile Insurance Company of Hartford, State Tracking Number: EFT \$50
 Connecticut, ...
 Company Tracking Number: 2008-03-0063
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: Homeowners/2008-03-0063

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	Special Provisions - Arkansas	04/30/2008	HO300ARF08rev.pdf
No original date	Form	Special Provisions - Arkansas	04/30/2008	ha300ARF08rev.pdf
No original date	Supporting Document	Form Changes	04/30/2008	HO300ARF08_tracked.pdf ha300ARF08_tracked.pdf
No original date	Form	Special Provisions - Arkansas	03/21/2008	HO300ARJ08.pdf
No original date	Form	Special Provisions - Arkansas	03/21/2008	ha300ARL08.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - ARKANSAS

SECTION I - ADDITIONAL COVERAGES

16. Limited "Fungi", Other Microbes Or Rot Remediation.

Paragraph **a.(1)(a)** is deleted.

This is additional coverage **15.** in Form **HO-6.**

SECTION I – EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

A. 2. Earth Movement is deleted and replaced by the following:

2. **"Earth Movement"**, meaning events that include but are not limited to the following:
 - a. Earthquake and earthquake aftershocks;
 - b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
 - c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
 - d. Sinkhole;
 - e. Subsidence;
 - f. Excavation collapse;

g. Erosion;

h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any "earth movement" is covered.

A.3. Water Damage is deleted and replaced by the following:

3. **"Water damage"**, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;
- b. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device; or
- c. any water or water borne material that enters through or backs up from a sewer or drain; or which overflows from a sump; or
- d. any water or water borne material located below the surface of the ground including water or water borne material:

(1) Which exerts pressure on, seeps, leaks or flows into:

- (a) Any part of the dwelling or other structures;
- (b) The foundation of the dwelling or other structures;
- (c) Any paved surface located on the "residence premises"; or
- (d) Any spa, hot tub, or swimming pool.

(2) Which causes "earth movement".

Direct loss by fire, explosion or theft resulting from "water damage" will be covered.

A.10. "Fungi", Other Microbes or Rot is deleted and replaced by the following:

10. "Fungi", Other Microbes or Rot, meaning any loss or cost resulting from, arising out of, caused by, consisting of, or related to, "fungi", other microbes or rot. This exclusion does not apply to:

- a. "Fungi", other microbes or rot located upon the portion of covered property that must be repaired or replaced because of direct physical damage that results from a Peril Insured Against; or
- b. "Fungi", other microbes or rot remediation coverage that may be afforded under Additional Coverage **16. Limited "Fungi", Other Microbes Or Rot Remediation.**

SECTION I - CONDITIONS

7. Appraisal. is deleted and replaced by the following:

7. 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 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 appraiser 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:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

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

9. 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.

12. Mortgage Clause is amended as follows:

Paragraph **c.** is deleted and replaced by the following:

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

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

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

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. Property Damage Coverage For Military Personnel and Federal Government Employees:

If an "insured" is:

- a. A United States Government Employee; or
- b. A member of the United States Military,

We agree to pay for "property damage" to United States government property, for which such "insured" is responsible under applicable rules or regulations.

Payment for such "property damage" will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per "occurrence", under this Additional Coverage for all damages resulting from any one "occurrence" shall not exceed two months basic pay for the "insured", as of the time of the "occurrence".

We will not pay for "property damage" to:

- a. Aircraft;
- b. "Motor vehicles";
- c. Watercraft; or
- d. Weapons.

We will not pay for "property damage":

- a. To the extent of any amount payable under Section I of this policy; or
- b. Caused intentionally by any "insured" who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

3. **Cancellation.** Paragraph **b.(3)** is deleted and replaced by the following:

- (3) 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:
 - (a) 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 the policy;
 - (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (c) 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;

- (d) For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- (e) 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.

6. **Subrogation** is deleted and replaced by the following:

6. **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 3. 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.

SPECIAL PROVISIONS - ARKANSAS

DEFINITIONS

The following definition is added:

10. "fuel system" means:

- a. One or more containers, tanks or vessels which have a total combined fuel storage capacity of 100 or more U.S. gallons; and:
 - (1) Are, or were, used to hold fuel; and
 - (2) Are, or were, located on any one location;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph a.;
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph a.;
- d. A boiler, furnace or a water heater, the fuel for which is stored in a container, tank or vessel described in Paragraph a.;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph a.; or
- f. A structure that is specifically designed and built to hold escaped or released fuel from one or more containers, tanks or vessels described in Paragraph a.

A **fuel system** does not include any fuel tanks that are permanently affixed to a motor vehicle or watercraft owned by an **insured**, used for powering the motor vehicle or watercraft and not used at any time or in any manner for **business**.

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items **8.** and **9.** are deleted and replaced by the following:

- 8.** \$5,000 on property, on the **residence premises** used at any time or in any manner for any **business** purpose.
- 9.** \$1,000 on property away from the **residence premises** used at any time or in any manner for any **business** purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.

ADDITIONAL COVERAGES

8. Collapse is deleted and replaced by the following:

8. Collapse.

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability applying to the damaged covered property.

The following additional coverage is added to forms **HO-2** and **HO-3** only.

- **Ordinance or Law.**
 - a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against.
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
 - b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
 - c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires 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 on any covered building or other structure.

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

This coverage is additional insurance.

SECTION I - EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

2. Earth Movement is deleted and replaced by the following:

2. Earth Movement, meaning events that include but are not limited to the following:

- a. Earthquake and earthquake aftershocks;
- b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
- c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
- d. Sinkhole;
- e. Subsidence;
- f. Excavation collapse;
- g. Erosion;

- h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any **Earth Movement** is covered.

- 3. **Water Damage** is deleted and replaced by the following:

3. **Water damage**, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;
- b. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device; or
- c. any water or water borne material that enters through or backs up from a sewer or drain; or which overflows from a sump; or
- d. any water or water borne material located below the surface of the ground including water or water borne material:

(1) Which exerts pressure on, seeps, leaks or flows into:

- (a) Any part of the dwelling or other structures;
- (b) The foundation of the dwelling or other structures;
- (c) Any paved surface located on the **residence premises**; or
- (d) Any spa, hot tub, or swimming pool.

(2) Which causes **earth movement**.

Direct loss by fire, explosion or theft resulting from **water damage** will be covered.

SECTION I - CONDITIONS

- 3. **Loss Settlement.** Paragraph **c.(4)** in Forms **HO-2** and **HO-3** is deleted and replaced by the following:

(4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above.

However, if the cost to repair or replace is less than \$2,500 we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above, whether or not actual repair or replacement is complete.

- 6. **Appraisal.** is deleted and the following substituted:

6. **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 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 appraiser 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:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

- 7. **Other Insurance**, in Form **HA-6** only, is deleted and replaced by the following:

7. **Other Insurance and Service Agreement.**

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

(1) Other insurance, except insurance in the name of a corporation or association of property owners, 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.

b. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

8. **Suit Against Us.** is deleted and the following substituted:

8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of loss.

12. **Mortgage Clause** is amended as follows:

The sentence "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 non-renewal takes effect." is deleted and replaced by the following:

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.

SECTION II - EXCLUSIONS

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others:** The following items are added:

- or any loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation

or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

- (1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or
- (3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form.

- arising out of, resulting from, caused by or contributed to by the escape or release of fuel from a **fuel system**. This exclusion applies, but is not limited to:

- (1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or
- (3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

However, this exclusion does not apply to **bodily injury** or **property damage** arising out of fire or explosion that results from such escaped or released fuel.

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. **Property Damage** coverage for Military Personnel and Federal Government Employees.

If an **insured** is:

- a. a United States Government Employee; or
- b. a member of the United States Military,

We agree to pay for **property damage** to United States government property, for which such **insured** is responsible under applicable rules or regulations.

Payment for such **property damage** will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per **occurrence**, under this Additional Coverage for all damages resulting from any one **occurrence** shall not exceed two months basic pay for the **insured**, as of the time of the **occurrence**.

We will not pay for **property damage** to:

- a. **aircraft**; or
- b. motor vehicles, including vehicles not designed for travel on public roads or subject to registration; or
- c. watercraft; or
- d. weapons.

We will not pay for **property damage**:

- a. to the extent of any amount payable under **Section I** of this policy; or
- b. caused intentionally by any **insured** who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

5. **Cancellation.** Paragraphs **b.(3)** and **b.(4)** are deleted and replaced by the following:

3. 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:

- a. 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 the policy;
- b. Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- c. 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;
- d. For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- e. 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.

4. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **b.(3)** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - ARKANSAS

SECTION I - ADDITIONAL COVERAGES

16. Limited "Fungi", Other Microbes Or Rot Remediation.

Paragraph **a.(1)(a)** is deleted.

This is additional coverage **15.** in Form **HO-6.**

SECTION I EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
 - (2) Any human action or inaction;
 - (3) The forces of animals, plants or other living or dead organisms; or
 - (4) Any other natural or artificial process.
- 2. Earth Movement** is deleted and replaced by the following:
- 2. Earth Movement**, meaning events that include but are not limited to the following:
- a. Earthquake and earthquake aftershocks;
 - b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
 - c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
 - d. Sinkhole;
 - e. Subsidence;

f. Excavation collapse;

g. Erosion;

h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any **Earth Movement** is covered.

3. Water Damage is deleted and replaced by the following:

3. Water damage, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;
- b. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device; or
- c. any water or water borne material that enters through or backs up from a sewer or drain; or which overflows from a sump; or
- d. any water or water borne material located below the surface of the ground including water or water borne material:

(1) Which exerts pressure on, seeps, leaks or flows into:

- (a) Any part of the dwelling or other structures;
- (b) The foundation of the dwelling or other structures;
- (c) Any paved surface located on the **residence premises**; or
- (d) Any spa, hot tub, or swimming pool.

(2) Which causes earth movement.

Direct loss by fire, explosion or theft resulting from **water damage** will be covered.

SECTION I - CONDITIONS

7. **Appraisal.** is deleted and replaced by the following:

7. **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 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 appraiser 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:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

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

9. **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.

12. **Mortgage Clause** is amended as follows:

Paragraph **c.** is deleted and replaced by the following:

- c. If we decide to cancel this policy, the mortgagee will be notified:
 - (1) At least 10 days before the date cancellation takes effect if:
 - (a) We cancel for nonpayment of premium, or
 - (b) The policy has been in effect for less than 60 days and is not a renewal with us; or

(2) At least 20 days before the date cancellation takes effect in all other cases.

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

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. Property Damage Coverage For Military Personnel and Federal Government Employees:

If an "insured" is:

- a. A United States Government Employee; or
- b. A member of the United States Military,

We agree to pay for "property damage" to United States government property, for which such "insured" is responsible under applicable rules or regulations.

Payment for such "property damage" will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per "occurrence", under this Additional Coverage for all damages resulting from any one "occurrence" shall not exceed two months basic pay for the "insured", as of the time of the "occurrence".

We will not pay for "property damage" to:

- a. Aircraft;
- b. "Motor vehicles";
- c. Watercraft; or
- d. Weapons.

We will not pay for "property damage":

- a. To the extent of any amount payable under Section I of this policy; or
- b. Caused intentionally by any "insured" who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

3. **Cancellation.** Paragraph **b.(3)** is deleted and replaced by the following:

(3) 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:

- (a) 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 the policy;

- (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- (c) 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;
- (d) For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- (e) 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.

6. **Subrogation** is deleted and replaced by the following:

6. **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 3. 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.

SPECIAL PROVISIONS - ARKANSAS

DEFINITIONS

The following definition is added:

10. "fuel system" means:

- a. One or more containers, tanks or vessels which have a total combined fuel storage capacity of 100 or more U.S. gallons; and:
 - (1) Are, or were, used to hold fuel; and
 - (2) Are, or were, located on any one location;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph a.;
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph a.;
- d. A boiler, furnace or a water heater, the fuel for which is stored in a container, tank or vessel described in Paragraph a.;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph a.; or
- f. A structure that is specifically designed and built to hold escaped or released fuel from one or more containers, tanks or vessels described in Paragraph a.

A **fuel system** does not include any fuel tanks that are permanently affixed to a motor vehicle or watercraft owned by an **insured**, used for powering the motor vehicle or watercraft and not used at any time or in any manner for **business**.

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items **8.**, and **9.** are deleted and replaced by the following:

- 8.** \$5,000 on property, on the **residence premises** used at any time or in any manner for any **business** purpose.
- 9.** \$1,000 on property away from the **residence premises** used at any time or in any manner for any **business** purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.

ADDITIONAL COVERAGES

8. Collapse is deleted and replaced by the following:

8. Collapse.

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability applying to the damaged covered property.

The following additional coverage is added to forms **HO-2** and **HO-3** only.

- **Ordinance or Law.**
 - a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against.
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
 - b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
 - c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires 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 on any covered building or other structure.

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

This coverage is additional insurance.

SECTION I EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

2. Earth Movement is deleted and replaced by the following:

2. Earth Movement, meaning events that include but are not limited to the following:

- a. Earthquake and earthquake aftershocks;
- b. Volcano activity including but not limited to:
 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
- c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
- d. Sinkhole;
- e. Subsidence;
- f. Excavation collapse;
- g. Erosion;

- h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

- a. fire;
- b. explosion;
- c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;
- d. theft;

following any **Earth Movement** is covered.

- 3. **Water Damage** is deleted and replaced by the following:

3. Water damage, meaning;

- a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;
- b. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device; or
- c. any water or water borne material that enters through or backs up from a sewer or drain; or which overflows from a sump; or
- d. any water or water borne material located below the surface of the ground including water or water borne material:

(1) Which exerts pressure on, seeps, leaks or flows into:

- (a) Any part of the dwelling or other structures;
- (b) The foundation of the dwelling or other structures;
- (c) Any paved surface located on the **residence premises**; or
- (d) Any spa, hot tub, or swimming pool.

(2) Which causes **earth movement**.

Direct loss by fire, explosion or theft resulting from **water damage** will be covered.

SECTION I - CONDITIONS

- 3. **Loss Settlement.** Paragraph **c.(4)** in Forms **HO-2** and **HO-3** is deleted and replaced by the following:

- (4)** We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above.

However, if the cost to repair or replace is less than \$2,500 we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above, whether or not actual repair or replacement is complete.

- 6. **Appraisal.** is deleted and the following substituted:

- 6. **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 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 appraiser 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:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

- 7. **Other Insurance**, in Form **HA-6** only, is deleted and replaced by the following:

7. Other Insurance and Service Agreement.

- a. If a loss covered by this policy is also covered q by:

- (1)** Other insurance, except insurance in the name of a corporation or association of property owners, 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.

b. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

8. **Suit Against Us.** is deleted and the following substituted:

8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of loss.

12. **Mortgage Clause** is amended as follows:

The sentence "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 non-renewal takes effect." is deleted and replaced by the following:

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 10 days before the date nonrenewal takes effect.

SECTION II - EXCLUSIONS

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others:** The following items are added:

- or any loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation

or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

- (1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or
- (3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form.

- arising out of, resulting from, caused by or contributed to by the escape or release of fuel from a **fuel system**. This exclusion applies, but is not limited to:

- (1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or
- (3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

However, this exclusion does not apply to **bodily injury** or **property damage** arising out of fire or explosion that results from such escaped or released fuel.

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. **Property Damage** coverage for Military Personnel and Federal Government Employees.

If an **insured** is:

- a. a United States Government Employee; or
- b. a member of the United States Military,

We agree to pay for **property damage** to United States government property, for which such **insured** is responsible under applicable rules or regulations.

Payment for such **property damage** will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per **occurrence**, under this Additional Coverage for all damages resulting from any one **occurrence** shall not exceed two months basic pay for the **insured**, as of the time of the **occurrence**.

We will not pay for **property damage** to:

- a. **aircraft**; or
- b. motor vehicles, including vehicles not designed for travel on public roads or subject to registration; or
- c. watercraft; or
- d. weapons.

We will not pay for **property damage**:

- a. to the extent of any amount payable under **Section I** of this policy; or
- b. caused intentionally by any **insured** who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

- 5. **Cancellation.** Paragraphs **b.(3)** and **b.(4)** are deleted and replaced by the following:

- 3. 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:

- a. 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 the policy;
- b. Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- c. 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;
- d. For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- e. 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.

- 4. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **b.(3)** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - ARKANSAS

SECTION I - ADDITIONAL COVERAGES

16. Limited "Fungi", Other Microbes Or Rot Remediation.

Paragraph a.(1)(a) is deleted.

This is additional coverage 15. in Form HO-6.

SECTION I – EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

A. 2. Earth Movement is deleted and replaced by the following:

2. "Earth Movement", meaning events that include but are not limited to the following:

- a. Earthquake and earthquake aftershocks;
- b. Volcano activity including but not limited to:

 - 1. Volcanic Eruption;
 - 2. Volcanic Explosion;
 - 3. Effusion of volcanic material; or
 - 4. Lava Flow;
- c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;

d. Sinkhole;

e. Subsidence;

f. Excavation collapse;

g. Erosion;

h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

a. fire;

b. explosion;

c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;

d. theft;

following any "earth movement" is covered.

A.3. Water Damage is deleted and replaced by the following:

3. "Water damage", meaning:

a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;

b. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device; or

c. any water or water borne material that enters through or backs up from a sewer or drain; or which overflows from a sump; or

d. any water or water borne material located below the surface of the ground including water or water borne material:

(1) Which exerts pressure on, seeps, leaks or flows into:

(a) Any part of the dwelling or other structures;

(b) The foundation of the dwelling or other structures;

(c) Any paved surface located on the "residence premises"; or

(d) Any spa, hot tub, or swimming pool.

(2) Which causes "earth movement".

Direct loss by fire, explosion or theft resulting from "water damage" will be covered.

A.10. "Fungi", Other Microbes or Rot is deleted and replaced by the following:

10. "Fungi", Other Microbes or Rot, meaning any loss or cost resulting from, arising out of, caused by, consisting of, or related to, "fungi", other microbes or rot. This exclusion does not apply to:

- a. "Fungi", other microbes or rot located upon the portion of covered property that must be repaired or replaced because of direct physical damage that results from a Peril Insured Against; or
- b. "Fungi", other microbes or rot remediation coverage that may be afforded under Additional Coverage **16. Limited "Fungi", Other Microbes Or Rot Remediation.**

SECTION I - CONDITIONS

7. Appraisal. is deleted and replaced by the following:

7. 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 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 appraiser 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:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

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

9. 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.

12. Mortgage Clause is amended as follows:

Paragraph **c.** is deleted and replaced by the following:

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

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

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

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. Property Damage Coverage For Military Personnel and Federal Government Employees:

If an "insured" is:

- a. A United States Government Employee; or
- b. A member of the United States Military,

We agree to pay for "property damage" to United States government property, for which such "insured" is responsible under applicable rules or regulations.

Payment for such "property damage" will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per "occurrence", under this Additional Coverage for all damages resulting from any one "occurrence" shall not exceed two months basic pay for the "insured", as of the time of the "occurrence".

We will not pay for "property damage" to:

- a. Aircraft;
- b. "Motor vehicles";
- c. Watercraft; or
- d. Weapons.

We will not pay for "property damage":

- a. To the extent of any amount payable under Section I of this policy; or
- b. Caused intentionally by any "insured" who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

3. **Cancellation.** Paragraph **b.(3)** is deleted and replaced by the following:

- (3) 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:
 - (a) 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 the policy;
 - (b) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (c) 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;

- (d) For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- (e) 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.

6. **Subrogation** is deleted and replaced by the following:

6. **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 3. 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.

SPECIAL PROVISIONS - ARKANSAS

DEFINITIONS

The following definition is added:

10. "fuel system" means:

- a. One or more containers, tanks or vessels which have a total combined fuel storage capacity of 100 or more U.S. gallons; and:
 - (1) Are, or were, used to hold fuel; and
 - (2) Are, or were, located on any one location;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph a.;
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph a.;
- d. A boiler, furnace or a water heater, the fuel for which is stored in a container, tank or vessel described in Paragraph a.;
- e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph a.; or
- f. A structure that is specifically designed and built to hold escaped or released fuel from one or more containers, tanks or vessels described in Paragraph a.

A **fuel system** does not include any fuel tanks that are permanently affixed to a motor vehicle or watercraft owned by an **insured**, used for powering the motor vehicle or watercraft and not used at any time or in any manner for **business**.

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items 8., and 9. are deleted and replaced by the following:

8. \$5,000 on property, on the **residence premises** used at any time or in any manner for any **business** purpose.
9. \$1,000 on property away from the **residence premises** used at any time or in any manner for any **business** purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.

ADDITIONAL COVERAGES

8. **Collapse** is deleted and replaced by the following:

8. **Collapse.**

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this Additional Coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability applying to the damaged covered property.

The following additional coverage is added to forms **HO-2** and **HO-3** only.

- **Ordinance or Law.**
 - a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against.
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
 - b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
 - c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires 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 on any covered building or other structure.

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

This coverage is additional insurance.

SECTION I - EXCLUSIONS

The first paragraph of this section is deleted and replaced by the following:

We do not cover any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of these excluded perils. Loss from any of these perils 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:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

2. **Earth Movement** is deleted and replaced by the following:

2. **Earth Movement**, meaning events that include but are not limited to the following:

- a. Earthquake and earthquake aftershocks;
- b. Volcano activity including but not limited to:

 1. Volcanic Eruption;
 2. Volcanic Explosion;
 3. Effusion of volcanic material; or
 4. Lava Flow;
- c. Mudslide, including mudflow, debris flow, landslide, avalanche, or sediment;
- d. Sinkhole;
- e. Subsidence;
- f. Excavation collapse;
- g. Erosion;

h. Any expansion, shifting, rising, sinking, contracting, or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man made material.

However, loss caused directly by the specific perils:

a. fire;

b. explosion;

c. breakage of building or dwelling glass or safety glazing material, including storm doors or windows; or;

d. theft;

following any Earth Movement is covered.

3. Water Damage is deleted and replaced by the following:

3. Water damage, meaning:

a. Flood, surface water, ground water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not a result of precipitation or driven by wind;

b. any overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device; or

c. any water or water borne material that enters through or backs up from a sewer or drain; or which overflows from a sump; or

d. any water or water borne material located below the surface of the ground including water or water borne material:

(1) Which exerts pressure on, seeps, leaks or flows into:

(a) Any part of the dwelling or other structures;

(b) The foundation of the dwelling or other structures;

(c) Any paved surface located on the residence premises; or

(d) Any spa, hot tub, or swimming pool.

(2) Which causes earth movement.

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

SECTION I - CONDITIONS

3. Loss Settlement. Paragraph **c.(4)** in Forms **HO-2** and **HO-3** is deleted and replaced by the following:

(4) We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above.

However, if the cost to repair or replace is less than \$2,500 we will settle the loss according to the provisions of **c.(1)** and **c.(2)** above, whether or not actual repair or replacement is complete.

6. Appraisal. is deleted and the following substituted:

6. 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 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 appraiser 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:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Nothing in this condition deprives you of your right to a trial by jury on any question of fact.

7. Other Insurance, in Form **HA-6** only, is deleted and replaced by the following:

7. Other Insurance and Service Agreement.

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

(1) Other insurance, except insurance in the name of a corporation or association of property owners, we will pay only the pro-

portion 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.

b. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

8. **Suit Against Us.** is deleted and the following substituted:

8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five years after the date of loss.

12. **Mortgage Clause** is amended as follows:

The sentence "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 non-renewal takes effect." is deleted and replaced by the following:

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 ~~10~~30 days before the date nonrenewal takes effect.

SECTION II - EXCLUSIONS

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others:** The following items are added:

- or any loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or

alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance. This exclusion applies, but is not limited to:

(1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;

(2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or

(3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form.

- arising out of, resulting from, caused by or contributed to by the escape or release of fuel from a **fuel system**. This exclusion applies, but is not limited to:

(1) Any supervision, instructions, recommendations, warnings or advice given in connection with the above;

(2) Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such **bodily injury** or **property damage**, damages, loss, cost, payment or expense; or

(3) Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

However, this exclusion does not apply to **bodily injury** or **property damage** arising out of fire or explosion that results from such escaped or released fuel.

SECTION II - ADDITIONAL COVERAGES

The following additional coverage is added:

5. **Property Damage** coverage for Military Personnel and Federal Government Employees.

If an **insured** is:

- a. a United States Government Employee; or

- b. a member of the United States Military,

We agree to pay for **property damage** to United States government property, for which such **insured** is responsible under applicable rules or regulations.

Payment for such **property damage** will be at replacement cost. Under this endorsement "replacement cost" is defined as the amount necessary to repair or replace the damaged property with no deduction for depreciation, subject to the Limit of Liability for this Additional Coverage.

Our Limit of Liability, per **occurrence**, under this Additional Coverage for all damages resulting from any one **occurrence** shall not exceed two months basic pay for the **insured**, as of the time of the **occurrence**.

We will not pay for **property damage** to:

- a. **aircraft**; or
- b. motor vehicles, including vehicles not designed for travel on public roads or subject to registration; or
- c. watercraft; or
- d. weapons.

We will not pay for **property damage**:

- a. to the extent of any amount payable under **Section I** of this policy; or
- b. caused intentionally by any **insured** who is 13 years of age or older.

SECTIONS I AND II - CONDITIONS

5. **Cancellation.** Paragraphs **b.(3)** and **b.(4)** are deleted and replaced by the following:

3. 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:

- a. 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 the policy;
- b. Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- c. 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;
- d. For nonpayment of membership dues required by us a condition of the issuance and maintenance of the policy; or
- e. 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.

4. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **b.(3)** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

All other provisions of this policy apply.