



**AMERICAN MODERN SELECT  
INSURANCE COMPANY**

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(085)

*New Business 12-01-06*

HO-10

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*A Specialty Homeowners Product*

# PROGRAM COVERAGES & FEATURES

## TARGET MARKET

The **Specialty Homeowners Program** is designed for the owner occupied or seasonal home that is not eligible for coverage in the Standard Market due to age, claims, value or size of dwelling. All homeowner submittals must be:

- **owner occupied or seasonal.**
- in average to above average condition, showing pride of ownership, and subject to no unusual hazards. A risk in average to above average condition will have heating, wiring and plumbing systems in good working order. The roof will be in good condition. If roof is in poor condition, an optional roof exclusion is available.

## PACKAGE LIMITS AND COVERAGES

Other Structures	10% of the Coverage A (Dwelling) Limit of Liability
Personal Property	50% of the Coverage A (Dwelling) Limit of Liability
Loss of Use	10% of the Coverage A (Dwelling) Limit of Liability
Personal Liability & Medical Payments	\$50,000/\$500 (Increased limits available)

## BASIC ELIGIBILITY & POLICY FORM

Policy Form	ST000 (03/06) Homeowners 10 Policy
Loss Settlement	ACV on the Dwelling and Personal Property
Home Values	\$40,000 - \$300,000
Deductible	\$500 Base Deductible
Age	Row homes, town homes and twin homes must have been built within the last 60 years and the roof and electric must have been updated within the last 20 years.

## PERILS INSURED AGAINST

Dwelling & Other Structures	Named Peril
Personal Property	Named Peril including Burglary
Enhanced Coverage Endorsement - ST337 (08/06)	<p>Additional Perils included with this optional endorsement:  Collapse, Falling Objects, Weight of Ice, Snow or Sleet, Accidental Discharge or Overflow of Water or Steam, Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging, Sudden and Accidental Damage from Artificially Generated Electrical Current and Freezing of a Plumbing, Heating, Air Conditioning or Automatic Fire Protective Sprinkler System or a Household Appliance.  ST337 (08/06) - Water/Mold Limit 10% of Cov. A, subject to a \$10,000 annual aggregate</p>

# QUOTING PROCEDURE

Rate pages are not available for this program.

Quoting and issuance of policies will only be available through **modernLINK®**. If you do not have access to our Award Winning website, you may call Customer Care or your General Agent, whichever applies.

In **modernLINK**, an accurate quote will be ensured by entering all of the requested information. After the **ELIGIBLE PROGRAMS** page, you will be asked to verify some information about the applicant before the Insurance Score is ordered. On this page is our disclosure to the insured that credit history as well as other third party reports may be ordered. **You must read this statement to the insured before proceeding.** Below is the text you will see:

***In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score. We may also obtain loss history and other consumer reports using a third party. The above information may be used to develop your premium or to determine your eligibility for insurance.***

Based on Insurance Score, if the quoted customer is not receiving the best rate, they must receive an adverse action letter. This is true even if they do not wish to proceed with the quote. **modernLINK** will print this letter when a quote or application is printed, or can be printed alone. If you are receiving a quote by phone, this letter will be faxed to you to give to the customer. If the customer is not in your office, you will need to mail the letter to that customer. This procedure satisfies the requirements of the Fair Credit Reporting Act.

## TERRITORY ALIGNMENT

### Territory 70

Remainder of State

### Territory 71

The following zip codes:

19116	19111	19150	19120	19118	19131
19154	19152	19126	19135	19128	19151
19115	19136	19138	19144	19127	19153
19114	19149	19141	19119	19129	19112

### Territory 72

The following zip codes:

19124	19133	19125	19102	19143	19145
19137	19134	19104	19103	19146	19148
19140	19121	19130	19107	19147	19109
19132	19122	19123	19106	19142	19110
19113	19139	19176			

### Territory 73

Counties of:

Pike, Monroe, Northampton, Bucks, Montgomery, Delaware, Chester, Lancaster

## DIRECT BILL PREMIUM PLANS

**Direct Bill** is American Modern Insurance Group's own automated billing and processing system. With the completion of an easy application, this system will automatically produce a declarations page, bills and renewals. All policies can be dispatched from our office to the insured. Please inquire for details.

**We now accept Credit Cards and one-time EFT as a method of payment.**

### ANNUAL POLICIES

1. Paid in Full.
2. 4-Pay Plan - 25% down with 3 installments. Collect the 25% down. We will bill in 3 installments which will be due by day 65, day 155, & day 245.
3. 10-Pay Plan - 16.3% down with 9 installments. Collect the 16.3% down. We will bill in 9 installments which will be due by day 40, day 70, day 100, day 130, day 160, day 190, day 220, day 250, & day 280.

**A SERVICE CHARGE IS ASSESSED FOR EACH INSTALLMENT, INCLUDING THE DOWN PAYMENT.**

**EZPay** - 2 months downpayment required with 10 additional installments automatically deducted from a savings/checking account. Collect the downpayment and submit signed application form 00220-08-G with application and a voided check or deposit slip. The customer may choose date of automatic withdrawal.

# TARGET MARKET, RULES AND DEFINITIONS

## GENERAL RULES AND RATING INFORMATION

1. Application(s)	The agent's and applicant's <b>signatures</b> are <b>required</b> .
2. Insurance to Value	Dwelling must be insured to 100% of dwelling <b>market value</b> , excluding the land value.
3. Home Values	Dwellings valued between <b>\$40,000 and \$300,000</b> are eligible.
4. Occupancy and Risk Parameters	One and two family, up to three stories, <b>owner occupied</b> and <b>seasonal</b> dwellings are eligible.
5. Policy Term	All policies are written for a term of <b>one year</b> . Effective time - 12:01 A.M. Standard Time.
6. Whole Dollar Rule	The premium shall be rounded separately for each coverage to the nearest <b>whole dollar</b> .
7. Cancellation Rule	<b>No flat cancellation</b> is allowed if coverage has been provided under our policy.
8. Transfer or Assignment	Policies may <b>not</b> be transferred or assigned.
9. Minimum Written and Earned Premium	There is a <b>\$100 minimum written and earned premium</b> .
10. Supplemental Heating Device	A <b>\$40.00</b> surcharge applies to all dwellings equipped with a Supplemental Heating Device.
11. Claims Verification	A Clue report showing past claims activity will be ordered to verify claims.
12. Inspection Fee	An inspection report will be reviewed as part of the underwriting evaluation for any applicant. A one time \$35.00 Inspection Fee is included on all new business applications.

## DEFINITIONS

1. Owner Occupied Dwelling	Dwellings owned by the insured that are occupied on a <b>full-time</b> basis as the insured's primary residence for <b>at least five (5)</b> consecutive months. (Dwellings may not be rented to others for any length of time.)
2. Seasonal/Secondary Dwellings	Dwellings owned by the insured that are occupied on an intermittent or <b>non-continuous</b> basis as the insured's secondary or seasonal residence for less than five (5) consecutive months. (Dwellings may not be rented to others for any length of time.)
3. Other Structures	Structures on the dwelling premises which are <b>not attached</b> to the dwelling (including septic tanks).
4. Supplemental Heating Device	Wood, coal or pellet burning stoves, space heaters, fireplace inserts or any other solid fuel burning device that is not centralized.
5. Full Repair Cost Loss Settlement	Partial losses are settled without deduction for depreciation (Optional Coverage).
6. Twin Home	2 Homes side by side with separate owners and a firewall inbetween each unit.
7. Row Home / Townhome	More than two homes in a row with firewalls between all units.

## TEMPORARY SUSPENSION OF WRITINGS

During Temporary Suspensions of Writing, do not accept any applications for new coverage, requests to increase coverage limits, or requests to lower deductibles on existing policies. Existing policies will renew during this time, provided there is no increase in coverage or lapse between policies.

### Impending Severe Weather

Impending severe weather includes, but is not limited to:

- ◆ Tornado watches and/or warnings
- ◆ Flood watches and/or warnings
- ◆ Tropical storm or Hurricane watches and/or warnings

**Earthquake** (This only applies when Earthquake Coverage is provided.)

- ◆ Restrictions begin with the occurrence of an earthquake or aftershock, of 5.0 Richter (or greater), and continue for a period of 72 hours for dwellings located in counties (in their entireties) within 100 miles of the epicenter.

### Wildfire

- ◆ No risks may be bound within a 25 mile radius of any existing wildfire.

For Updates Call (888) 593-3032, or LOG ON to our website: [www.amig.com/agents/bindres.html](http://www.amig.com/agents/bindres.html)

# UNDERWRITING GUIDELINES

## PRIOR LOSS HISTORY

		SPECIALTY HOMEOWNER
LOSSES IN THE PAST 3 YEARS		<b>Maximum 3 losses.</b> No more than 1 fire or liability loss. No more than 2 of any other single cause of loss excluding weather.
		If the applicant has <b>more than 5 rental properties</b> and incurred losses exceed these guidelines then, Submit, Do Not Bind.
SUBMIT, DO NOT BIND	FIRE LOSSES > \$10,000	Provide details of fire, including preventative measures taken to prevent future fires. A copy of the fire report is required. Arson, or intentional act by applicant NOT acceptable.
	ALL LIABILITY LOSSES	Maximum Coverage Available, \$100,000 Liability and \$1,000 Med Pay
	THEFT LOSSES > \$5,000	Provide preventative measures taken.
	WATER LOSSES > \$5,000	Mold inspection from applicant may be required
GENERAL GUIDELINES		Prior losses include any loss incurred on any property and/or structure owned, rented, or leased by the applicant. Complete details regarding the loss such as cause, location, date, and the amount paid for the loss are required. All repairs from prior losses must be complete.

## RISK CHARACTERISTICS

<b>Animals</b>	<ul style="list-style-type: none"> <li>◆ Applicants with large, unusual, exotic, vicious, or potentially vicious animals are <b>NOT</b> acceptable. Animals in this category include, but are not limited to:                          Animals with a previous bite history or vicious propensities                          Dobermans, Chows, Rottweilers, Akitas, American Staffordshire Terriers (Pit Bulls), attack dogs and Wolf Hybrids, (or any mix thereof)                          Ostriches, Emus, Horses, Farm or Ranch animals, or any type of wild exotic animals or pets</li> </ul>
<b>Swimming Pools</b>	<ul style="list-style-type: none"> <li>◆ In-ground pools must have a fence, at least four feet high with a locking gate that encloses the pool.</li> <li>◆ Above-ground pools must have either a fence, at least four feet high with a locking gate that encloses the pool <b>or</b> steps and ladders that can be secured, locked, or removed when the pool is not in use.</li> <li>◆ Risks not meeting this criteria are not acceptable.</li> </ul>
<b>Business on Premises</b>	<ul style="list-style-type: none"> <li>◆ Applicants with employees are not acceptable.</li> </ul>
<b>Roof</b>	<ul style="list-style-type: none"> <li>◆ No age restriction. Enhanced Coverage is not available for rowhomes, townhomes, or twin homes with flat roofs.</li> </ul>
<b>Wiring</b>	<ul style="list-style-type: none"> <li>◆ Knob &amp; tube wiring is <b>NOT</b> acceptable.</li> </ul>
<b>Heating</b>	<ul style="list-style-type: none"> <li>◆ Primary heat source must be thermostatically controlled and can <b>NOT</b> be a supplemental heating device.</li> </ul>
<b>Supplemental Heating</b>	<ul style="list-style-type: none"> <li>◆ Supplemental heating devices include wood/coal/pellet or any other solid fuel burning device.                             <ul style="list-style-type: none"> <li>○ Kerosene and other portable space heaters are <b>NOT</b> acceptable.</li> </ul> <b>Note:</b> Fireplaces are <b>NOT</b> considered supplemental heating devices unless equipped with a fireplace insert.                         </li> </ul>
<b>Steps, Porches and Decks</b>	<ul style="list-style-type: none"> <li>◆ Must have secured handrails if 3 feet or more above the ground.</li> <li>◆ Risks not meeting this criteria are not acceptable.</li> </ul>
<b>Uninsured Properties</b>	<ul style="list-style-type: none"> <li>◆ If the risk has been uninsured for 31-90 days <b>DO NOT BIND/SUBMIT</b> with explanation.</li> <li>◆ If the risk has been uninsured for more than 90 days then <b>DO NOT BIND/DO NOT SUBMIT</b>. Special exceptions may be made for extenuating circumstances. Please contact your underwriter for consideration with full details.</li> </ul>

## RISKS THAT ARE NOT ACCEPTABLE ● DO NOT BIND ● DO NOT SUBMIT

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### Applicants

- ◆ Currently unemployed, other than retired or disabled
  - With these characteristics:* ◆ Four or more losses of any kind in the last three years (*For additional guidelines see "Prior Loss History"*)
  - ◆ Past conviction for arson, fraud, or other insurance-related offenses
  - ◆ Mortgage payments 60 days or more past due or currently in foreclosure
  - ◆ More than two lienholders and/or mortgagees
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### Dwellings

- ◆ Dwellings in poor physical condition and not properly maintained
  - With these characteristics:* ◆ Attached to, occupied as, or converted from a commercial risk
  - ◆ Condemned, vacant, unoccupied or rented. Under construction, or undergoing major renovations (*Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering*)
  - ◆ Unrepaired or existing damage
  - ◆ Hand-hewn log homes built before the year 2000, earth homes, dome homes, open pier homes, stilt homes, or condominiums
  - ◆ A row home or town home cannot contain more than 8 units in a row. Row homes, town homes and twin homes must have been built within the last 60 years and the roof and electric must have been updated within the last 20 years
  - ◆ Manufactured homes, modified manufactured homes, or trailers (*Refer to AMIG's Manufactured Home Program*)
  - ◆ Non-conventional construction or design (*Shell homes, Do-It-Yourself construction, or homemade homes*)
  - ◆ Primary heat source that is **NOT** thermostatically controlled or is a supplemental heat source
  - ◆ Kerosene or portable space heaters
  - ◆ Underground fuel tank on premises
  - ◆ Without smoke detectors
  - ◆ Dwellings with water leaks or plumbing in disrepair
  - ◆ Without utilities such as natural gas, electric, or water
  - ◆ In the name of a corporation
  - ◆ Within 1,000 feet of rising water, or in an area that is prone to flooding
  - ◆ With farming conducted on premises
  - ◆ In a landslide or isolated area, not accessible by road
  - ◆ In a forest fire, brush fire area or within 500 feet of brush
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### Other Structures

- ◆ In poor physical condition and not properly maintained, (unless if Other Structures exclusion is attached)
  - With these characteristics:* ◆ Kerosene or portable space heaters
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**Circumstances reflecting an unusual exposure or increase in hazard not addressed above are unacceptable.**

## CANCELLATION PROCEDURES

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American Modern Insurance Group, Inc. will accept a request to cancel a policy when we receive that request within 60 days of the requested cancellation date, and the request is accompanied by proper documentation. If the request is received more than 60 days after the requested cancellation date, the effective date of the cancellation will be the date the request was received at American Modern Insurance Group, Inc. unless:

- ◆ Insured no longer had a financial interest in the risk as of the requested cancellation date;
- ◆ The request to cancel is due to a total loss;
- ◆ Duplicate American Modern policy providing coverage for the same risk exists.

# OPTIONAL COVERAGES

Coverage	Available Occup.	Limits	Rates	Included Coverages	Important Information	Codes
<b>Personal Liability</b>	Owner Seasonal	\$50,000 \$100,000 \$200,000 \$300,000	Included \$10.00 \$20.00 \$35.00	\$500 Medical Payments each person, \$10,000 each occurrence		<b>L1</b>
<b>Medical Payments - Personal Liability</b>	Owner Seasonal	\$1,000	\$5.00 for \$1,000	\$500/\$10,000 of coverage		<b>1M</b>
<b>Personal Property</b>	Owner Seasonal	Max: 100% of Coverage A	\$5.00 per \$1,000	50% of Coverage A		<b>7A7</b>
<b>Replacement Cost on Personal Property</b>	Owner Seasonal	Max: 100% of Coverage A	10% surcharge to dwelling base premium			<b>NV</b>
<b>Loss of Use</b>	Owner	Max: 20% of Coverage A	\$5.00 per \$1,000	10% included		<b>HJ</b>
<b>Full Repair Cost</b>	Owner Seasonal		\$50.00 per year			<b>ZH</b>
<b>Optional Deductibles</b>	Owner Seasonal	<u>All Other Peril Options</u> \$1,000 \$2,500 \$5,000	-15% -20% -30%		\$500 All Perils Base Deductible	<b>H9</b>
<b>Other Structures Coverage</b>	Owner Seasonal	Max: 50% of Coverage A	\$3.00 per \$1,000	10% of Coverage A		<b>BH</b>
<b>*Enhanced Coverage Endorsement</b>	Owner Seasonal		15% Surcharge to dwelling base premium		Endorsement ST337 (08/06) Not available for Row Homes, Town Homes or Twin Homes with flat roofs.	<b>HV</b>
<b>Additional Residence Rented to Others</b>	Owner Seasonal	\$50,000 \$100,000 \$200,000 \$300,000	\$33.00 \$40.00 \$47.00 \$55.00		Endorsement 72935 (02/06)	<b>M6</b>
<b>Theft</b>	Owner Seasonal	\$1,000	\$10.00			<b>HK</b>
<b>Homeowners and Dwelling Property Earthquake Coverage</b>	Owner Seasonal		\$0.65 per \$1,000		A deductible of 10% (minimum \$1,000) of the limit applies separately to each coverage.	<b>EP</b>

**\*Enhanced Coverage Endorsement ST337 (08/06) - 15% surcharge**

This endorsement broadens the HO-10 policy form by adding additional perils. It also provides Water/Mold coverage of 10% of Cov. A, subject to a \$10,000 annual aggregate. Please see policy form for perils included.

## OPTIONAL EXCLUSIONS FOR RISK ACCEPTANCE

Coverage	Available Occup.	Limits	Rates	Included Coverages	Important Information	Codes
Other Structures	Owner Seasonal	N/A	\$3.00 Credit			HS

## CREDITS/SURCHARGES

Premium surcharges and/ or credits may apply for the following:	Important Information	Rates	Code
Masonry Construction Discount		-20%	
Row Home		+20%	U3
Twin Home		+10%	2G
Supplemental Heating Devices		\$40.00	H3
Age of Home Discounts:	0, 1 2 3 4 5 6 7 8	-9% -8% -7% -6% -5% -4% -3% -2%	
Claims:	0 2 3	-15% +10% +25%	
Protective Devices Credits not to total more than 10%.	For Central Station Fire and Smoke or Burglar Alarm For Remote Station Fire and Smoke or Burglar Alarm For Dead Bolts, Smoke Alarm and Fire Extinguisher	-5%, -10% for both -2%, -4% for both -5%	72, 73 E4, E5 D6

# FORMS LISTING (For Reference Only)

Form Number	Title
ST000 (03/06)	Homeowners 10 Policy
0110-4269 (05/92)	Declaration Page
<b><u>MANDATORY ENDORSEMENTS</u></b>	
STA37 (08/06)	Homeowners 10 Policy Special Provisions - Pennsylvania
ST500 (06/05)	Homeowners 10 Policy Mold Liability Exclusion
<b><u>OPTIONAL ENDORSEMENTS</u></b>	
ncpra (07/04)	Notice of Cancellation or Nonrenewal
72670 (01/06)	Full Repair Cost
72935 (02/06)	Additional Residence Rental to Others
73652 (07/99)	Homeowners and Dwelling Property Earthquake Coverage
ST337 (08/06)	Enhanced Coverage Endorsement
ST900 (06/05)	Homeowners 10 Policy Other Structures Exclusion
ST700 (01/04)	Homeowners 10 Policy Replacement Cost Coverage – Personal Property
STT00 (07/06)	Theft Coverage

# HOW TO REACH US WHEN YOU NEED US

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## TO REPORT A CLAIM OR REACH OUR CUSTOMER CARE SERVICES DEPARTMENT:

Please call: 1-800-543-2644

Fax: 1-800-217-5150

or Report Claims Online:

<http://www.amig.com>

choose "Claims"

select "File a Claim"

select the "Homes" form

**New Loss Notices** may be sent to:  
**American Modern Insurance Group, Inc.**

Attn: Claims Department

P.O. Box 5323

Cincinnati, Ohio 45201-5323

### modernLINK®:

[www.amig.com](http://www.amig.com)

modernLINK is available Monday through Friday 7 a.m. - 12 a.m. Eastern  
Saturday and Sunday 8 a.m. - 9 p.m.

For assistance contact your modernLINK Profile Administrator located within your office  
or contact American Modern's Systems Support Team at 1-866- 527-9583.

Normal Business hours 8 a.m. to 6 p.m. Eastern, Monday through Friday.

After normal business hours Monday - Friday 6 p.m. - 9 p.m., weekends and holidays 8 a.m. - 9 p.m., calls will be answered by voice mail. A member of Systems Support will return the call within one hour.

## TO OBTAIN SUPPLIES:

modernLINK: [www.amig.com](http://www.amig.com)

E-mail: [supply@amig.com](mailto:supply@amig.com)

or Fax: 1-513-947-4050

If you have a question about supplies, please call:

1-800-759-9008, ext. 5561

When obtaining supplies, please refer to the form number at the lower left hand corner of this page.



## **AMERICAN MODERN SELECT INSURANCE COMPANY**

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### **EXECUTIVE OFFICE**

POST OFFICE BOX 5323, CINCINNATI, OHIO 45201-5323, 1-800-543-2644

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