

HOMEOWNERS DESCRIPTION

HOMEOWNERS POLICY COVERAGE RELATIONSHIPS

<u>Coverage</u>	<u>Homeowners</u>	<u>HO-4 (Tenant - HO)</u> <u>HO-6 (Condominium)</u>
A - Dwelling	Amount of Ins.	NA
B - Other Structures	10% of Coverage A	NA
C - Personal Property	50% of Coverage A	Amount of Ins.
D - Loss of Use	20% of Coverage A	20% of Cov. C (HO4) 20% of Cov. C (HO6)
W - Personal Liability	\$100,000	\$100,000
Y - Medical Payments	\$ 1,000	\$ 1,000

DESCRIPTION OF COVERAGES

Section I - Property Coverages

Coverage A - Dwellings

Covers Dwelling on insured location, including attached structures.

Coverage B - Other Structures

Provides coverage for other structures on the residence premises set apart from the dwelling by a clear space, this does not include structures used for business, farming or rented to others.

Coverage C - Personal Property

Covers personal property owned or used by an Insured. The limit of liability for insured personal property while temporarily away from the insured location is 10% of coverage, but not less than \$1,000

Students occupying an apartment, rooming house or dormitory room are considered to be temporarily away from the insured location. Coverage for personal property is limited to 10% of the personal property coverage of the parents' policy. (This applies if the student is still a member of the parents' household.)

If coverage is needed in excess of the 10% provided by the parents' policy, show the school residence as a second location on the parents' policy and indicate the amount of contents coverage desired for that location. Use the policy deductible and contents rate.

note: The student, whether or not a member of the parents' household, may be insured with a separate tenants policy.

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If the named insured moves the personal property from on principal residence within the state to another, coverage is provided automatically at the new location for 30 days.

Special Limits of Liability

\$200	Money, Bank Notes, Bullion, Gold, Silver, etc.
\$1,000	Securities, Accounts, Deeds, Passport, Stamps, etc.
\$1,000	Watercraft including their trailers, furnishings, equipment and outboard motors.
\$1,000	On Trailers not used with watercraft.
\$1,000	On Gravemarkers.
\$1,000	For loss by theft of Jewelry, Precious and Semi-Precious Stones, Furs, etc.
\$2,000	For loss by theft of Firearms.
\$2,500	For loss by theft of Silverware, Silver & Gold Plated Ware, etc.
\$2,500	On Business Property on Insured location.
\$250	On Business Property off Insured location.
\$500	Recreational Motor Vehicles.
\$500	Dismounted Camper Bodies.
\$200	Detached Tires.
\$500	Outdoor Radio and Television Equipment (including Satellite Dish).

Coverage D - Loss of Use

Covers reasonable increase in living expense necessary to maintain the Insured's normal standard of living while the Insured lives elsewhere, until the residence location is repaired or replaced or the Insured permanently relocates.

SECTION II - LIABILITY COVERAGES

PERSONAL LIABILITY

Coverage W - Liability:

BI and PD Combined Single Limit per Occurrence

Comprehensive Personal Liability provides coverage for the:

- . Insured locations described in the Declarations.
- . Personal activities of the insured anywhere in the world.
- . Vacant land owned by the insured and not used for farming.

Farmette provides coverage for the:

- . Insured locations described in the Declarations.
- . Personal activities of the insured anywhere in the world.
- . Owner/occupant of land up to 160 acres, rented to others or share cropped with others.
- . Vacant land owned by the insured and not used for farming.

STANDARD COVERAGE DESCRIPTIONS - SECTION II

Coverage Y - Medical Payments to Others:

\$1,000 Limit per Person, \$25,000 per Occurrence

Provides coverage:

- . For medical expenses incurred within one year of an occurrence.
- . To a person on an insured location with permission.
- . To a person away from an insured location, if BI is caused by an insured.

Additional Coverage:

- a. Coverage Z - Moral Obligation (Damage to Property of Others)
\$500 per Occurrence.
- b. First Aid Expense.
- c. Claims Expense.

OLT LIABILITY

Coverage W - Liability:

BI and PD Combined Single Limit per Occurrence

Dwelling Premises provides coverage for the:

- . Dwellings rented to other (Town or Farm) described in the Declarations.

Farm Premises/Operations provides coverage for the:

- . Farming operations of the insured on locations described in the Declarations.

Farm Rented to Others provides coverage for the:

- . Farms rented to others (no farming operations by the insured) described in the Declarations.

OLT Liability does not provide coverage for:

- . Personal activities of the insured.

Coverage Y - Medical Payments to Others:

\$1,000 Limit per Person, \$25,000 per Occurrence

Provides coverage:

- . For medical expenses incurred within one year of an occurrence.
- . To a person on an insured location with permission.

STANDARD COVERAGE DESCRIPTIONS - SECTION II

Additional Coverages:

- a. First Aid Expense.
- b. Claims Expense.

HOMEOWNERS DESCRIPTION

PERILS INSURED AGAINST

Basic Perils and Broad Form Perils covers property described in Coverage A, B, C and D caused by a peril listed below unless loss is excluded in Section 1 - Exclusions.

Group 1 - Basic Perils

- . Fire
- . Removal
- . Windstorm or Hail
- . Explosion
- . Riot and Civil Commotion
- . Aircraft
- . Vehicles
- . Vandalism & Malicious Mischief
- . Smoke

Group 2 - Broad Form Perils

- . Theft
- . Sudden Accidental Tearing Apart
- . Freezing
- . Falling Objects
- . Weight of Ice, Snow or Sleet
- . Collapse
- . Breakage of Glass
- . Sudden and Accidental Damage from Artificially Generated Electrical Current

Group 3 - Other Perils

Other Perils covers property described in Coverage A and B against other risks of physical loss, with certain exceptions.

HOMEOWNERS UNDERWRITING GUIDELINES

ELIGIBLE LIST

The insured may be:

- . Owner/occupant of a 1-2 family dwelling.
- . Tenant of an apartment, dwelling, condominium.

CONSIDERATION LIST - Submit Non-Bound

The following risks may not be bound by the agent. Submit to the Company for Underwriting approval:

- . Premises with questionable unsafe characteristics.
- . Premises with visible trash and debris that can be removed or cleaned.
- . Vacant dwellings with future occupancy contemplated.
- . Unfenced or inadequately fenced swimming pools.
- . Open pits or stone quarries on the insured location.
- . Horse stables and training operations.
- . Three losses in five years.
- . Homes being remodeled or with unrepaired damage.
- . Homes without continuous masonry foundation.

PROHIBITED LIST - Do Not Submit

The following risks are PROHIBITED:

- . Commercial risks.
- . Insured's with vicious animals.
- . Home Day Care Operations with 4 or more children.
- . Rental dwellings containing more than 4 family units.
- . Homes heated primarily with woodburning appliance.
- . Homes without interior plumbing.
- . More than 4 rental units for any one insured.
- . Breeding, raising and selling of dogs on the premises.
- . Insured's with known claim frequency (more than 3 losses in 5 years).
- . Homes with more than 2 mortgagees.
- . Homes with more than 2 roomers or boarders.

Do not submit for personal injury coverage:

- . Any person who has been sued for libel or slander.
- . Professional politicians.
- . Public lecturers.
- . Newspaper reporters, editors, or publishers.
- . Professional entertainers, including athletes, or radio and TV announcers.
- . Law enforcement officials.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

SPECIAL SELECT HOME PROTECTOR

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils Broad Form Perils Other Perils	Guaranteed Replacement Cost
<u>Minimum Amount of Ins.</u>	<u>Maximum Binding Authority</u>
\$80,000	\$150,000

Eligibility Requirements:

- a. \$250 Deductible
- b. Dwelling and detached structures of superior character and excellent repair. Premises clean, free from weeds and trash.
- c. 25 years old or newer. (Less than 15 years at inception date.)
- d. Owner-occupied, one family permanent residence.
- e. No more than one homeowner loss within the last three years.
- f. Insured 100% of Replacement cost according to current building cost guides for residential buildings, inflation protection will apply.
- g. 100 amp electrical service (circuit breaker system).
- h. An approved central heating unit, vented to an approved chimney, no wood burning furnace.
- i. Complete interior plumbing, being a permanent pipe system supplies by water from a continuous reliable source.
- j. Smoke detector on each floor including basement.
- k. No woodburning appliance other than a masonry or prefabricated fireplace without a heating insert.
- l. Available in 1 through 9 fire protection classes, must be within 3 miles of responding fire department for town fire classification.
- m. Modular Home not permitted.
- n. Must have a two lane road within 100 yards of dwelling for fire truck accessibility.
- o. Cost estimator and photograph submitted with application.

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

SPECIAL HOME PROTECTOR

Perils Available

Basic Perils
Broad Form Perils
Other Perils

Loss Settlement Types Available

Guaranteed Replacement Cost
80% Replacement Cost

Minimum Amount of Ins.

\$60,000

Maximum Binding Authority

\$150,000

Eligibility Requirements:

- a. Dwelling and detached structures of superior character and in excellent repair. Premises clean, free from weeds and trash.
- b. 35 years of age or newer with an approved roof, furnace, wiring and plumbing updated in past 25 years.
- c. Owner-occupied, one or two family permanent residence.
- d. Insured for 80% of replacement cost, guaranteed replacement - 100%, inflation protection will apply.
- e. 100 amp electrical service, circuit breaker system.
- f. An approved central heating unit, vented to an approved chimney, no woodburning furnace.
- g. Complete interior plumbing, being a permanent pipe systems supplied by water from a continuous reliable source.
- h. Smoke detector on bedroom floor(s).
- i. No Woodburner permitted.
- j. Available in 1 through 9 fire protection classes, must be within 3 miles of responding fire department for town fire classification.
- k. Modular homes not permitted.
- l. Readily accessible to a fire truck.
- m. Cost estimator and photograph submitted with application.

Minimum \$250

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

CLASS A-50 HOME PROTECTOR

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils Broad Form Perils Other Perils	80% Replacement Cost Repair or Replace Actual Cash Value
<u>Minimum Amount of Ins.</u>	<u>Maximum Binding Authority</u>
\$50,000	\$150,000

Eligibility Requirements:

- a. Good construction and in excellent repair, premises clean, free from weeds and trash.
- b. Insured for at least 80% of Replacement cost, when a Replacement Settlement Clause is used, Inflation Protection will apply.
- c. Modular Homes are acceptable.
- d. Owner-occupied, one or two family permanent residence.
- e. Residence has an approved roof, furnace, wiring and plumbing updated in past 25 years.
- f. 100 amp electrical service, circuit breaker system.
- g. An approved central heating unit, vented to an approved chimney, no woodburning furnace.
- h. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- i. No woodburner permitted.
- j. Cost estimator and photograph submitted with application.
- k. Available in 1 - 9 fire protection classes, must be within 3 miles of responding fire department for town fire classification.

Minimum \$250

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

CLASS B-50 HOME PROTECTOR

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils Broad Form Perils Other Perils	Repair or Replace Actual Cash Value
<u>Minimum Amount of Ins.</u>	<u>Maximum Binding Authority</u>
\$35,000	\$100,000

Eligibility Requirements:

- a. Good construction and in good repair, premises clean, free from weeds and trash.
- b. Insured for at least 60% of Replacement Cost.
- c. Other Perils are available on Actual Cash Value policy.
- d. If Repair or Replace settlement clause is used, residence must be insured for at least 60% of Replacement Cost, inflation protection will apply.
- e. Owner-occupied, one or two family permanent residence.
- f. Approved electrical wiring of at least 100 amp service.
- g. An approved central heating unit, vented to an approved chimney.
- h. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- i. Continuous masonry or concrete foundation under all exterior walls, porches excepted.
- j. No woodburner permitted.
- k. Cost estimator and photograph submitted with application.
- l. Available in 1 - 9 fire protection classes, must be within 3 miles of responding fire department for town fire classification.

Minimum \$250

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

CLASS C-50 HOME PROTECTOR

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils Broad Form Perils	Actual Cash Value
<u>Minimum Amount of Ins.</u>	<u>Maximum Binding Authority</u>
\$20,000	\$50,000

Eligibility Requirements:

- a. Fully utilized and in a good state of repair, premises clean, free from weeds and trash.
- b. Insured for at least 35% of Replacement Cost.
- c. Owner-occupied, one or two family permanent residence.
- d. Approved heating system, vented to an approved chimney.
- e. Approved electrical wiring of at least 60 amp service.
- f. Complete interior plumbing, being a permanent pipe system supplied by water from a continuous reliable source.
- g. Continuous masonry or concrete foundation under all exterior walls, porches excepted.
- h. No woodburner permitted.
- i. Cost estimator and photograph submitted with application.
- j. Available in 1 - 9 fire protection classes, must be within 3 miles of responding fire department for town fire classification.

Minimum \$250

DESCRIPTION OF HOMEOWNER DWELLING PROGRAMS/ELIGIBILITY

TENANT PROTECTOR POLICY

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils	Replacement Cost Contents
Broad Form Perils	Actual Cash Value

Minimum Amounts of Insurance/Binding Authority:

<u>Policy Type</u>	<u>Persons</u>	<u>Minimum Amount of Ins.</u>	<u>Maximum Binding</u>
HO4	2 People	\$12,000	\$60,000
	1 Person	\$10,000	\$40,000

Eligibility Requirements:

- The Standard Tenant Homeowners policy provides coverage for tenants of apartments, condominiums and rental dwellings.
- Contents must be in structures that meet minimum eligibility requirements for the structure to be insured.
- No woodburning stoves or fireplaces with heating inserts allowed.
- Replacement Cost on Contents not available for less than minimums above.

\$250 Deductible

CONDOMINIUM UNIT OWNERS PROGRAM

<u>Perils Available</u>	<u>Loss Settlement Types Available</u>
Basic Perils	Replacement Cost Contents
Broad Form Perils	Actual Cash Value

Minimum Amounts of Insurance/Binding Authority:

<u>Policy Type</u>	<u>Minimum Amount of Ins.</u>	<u>Maximum Binding</u>
HO6	\$10,000	\$75,000

Eligibility Requirements:

- Must be in structures which would meet eligibility requirements for Special Select or Special Home Protector.

Minimum \$250

FARMETTE

FARMETTE ENDORSEMENT

With the popularity of the homeowner purchasing small acreages in the country, including parcels of land with farm buildings, it is important that you, as agent, have the opportunity to remain competitive and yet maintain the proper Company underwriting approach. Many rural homeowners are raising livestock for their own consumption, planting large vegetable gardens and own a few pieces of farm equipment which are not used in a farming operation. The ownership of horses is also popular. As a result of the above, it is important that you, as agent, be aware of the following underwriting practice that will be fair to both the insured and Company. Dwellings that are not used in connection with a farming operation may qualify for a Home Protector Policy. Any outbuilding originally constructed for farming purposes must be insured as a farm outbuilding using applicable rates from the farm section of the Agents' Manual. Since maintenance and utility value of these outbuildings tend to be limited or very low, caution should be given to either declining coverage or accepting only at a Class C or D rate. Blanket farm personal property is not acceptable. If insured is involved in a farming operation, coverage must be on a farm policy.

With attachment of the Farmette Endorsement to the Home Protector Policy, Section I property coverage is extended to: Farm Outbuildings, Scheduled Farm Personal Property, Private Power and Light Poles. The attachment of this endorsement means that on a limited bases, coverage can be included on a Home Protector Policy for certain risks that previously were insured especially on a farm policy.

OPTIONAL COVERAGES: SECTION I - PROPERTY

COVERAGE B - AUXILIARY PRIVATE STRUCTURES

When insurance is written on a specific structure on the residence premises:

- . For increased limits - rate the amount of increased insurance per \$100.

COVERAGE C - PERSONAL PROPERTY

Increased limit:

- . When the limit of liability for Coverage C is increased, the additional premium per \$100 shall be used.

Reduction in Limit: Not Allowed.

Increased Special Limits of Liability:

- . Jewelry, Watches, and Furs - The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$3,000 but not exceeding \$1,000 for any one article.
- . Money and Securities - The special limit of \$200 on money may be increased to a maximum of \$1,000. The special limit on securities may be increased to a maximum of \$2,000.
- . Silverware, Goldware, and Pewterware - The special limit of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500.
- . Firearms - The special limit of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100.

Replacement Cost - Loss Settlement 4

- . Personal property may be extended to include replacement cost coverage. Rate the Amount of Insurance, Coverage C, using the premium per \$100. Antiques, fine arts, statuary and other similar articles are not eligible for the coverage.

COVERAGE D - LOSS OF USE

Increased Limit:

- . The amount of insurance for Loss of Use may be increased. Use the rate per \$100.

OPTIONAL COVERAGES: SECTION I - PROPERTY

REFRIGERATED PRODUCTS

The Home Protector, Tenant, and Condominium programs automatically provide \$500 coverage for Refrigerated Products. An additional amount may be purchased using the Refrigerated products rate.

THEFT OF CONSTRUCTION MATERIALS

Dwellings under construction do not have coverage for theft of construction materials. The \$1,000 or \$2,000 of coverage may be purchased for periods of six months. Coverage is subject to the deductible, and the premium is fully earned.

CONDOMINIUM UNIT OWNERS

UNIT OWNERS ADDITIONS AND ALTERATIONS

- . The HO6 automatically provides \$1,000 of Coverage A Dwelling. This limit may be increased. Use the Unit Owners Additional and Alterations rate.
- . If Special Coverage (other risks of Physical Loss) is desired for Coverage A, use the Unit Owners Special Coverage rate. Charge for each \$1,000 of Coverage A.

UNIT OWNERS OTHER STRUCTURES

- . Use the Coverage B - Other Structures rule.

LOSS ASSESSMENT COVERAGE

- . The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding earthquake, for assessments relating to the residence premises. The limit may be increased for an additional premium.

LOSS ASSESSMENT - EARTHQUAKE

- . The policy may be extended to cover loss assessment for the peril of earthquake provided Loss Assessment Coverage and Earthquake are also covered.

BUILDING ADDITIONS AND ALTERATION - HO4

The HO4 provides 10% of the Coverage C limit for Additions and Alterations. This limit may be increased. Use the Building Additions and Alteration - HO4 rate.

OPTIONAL COVERAGES SECTION II - LIABILITY

ADDITIONAL INSURED

- a. Resident Non-Relative: Personal Liability coverage for a non-farming, non-relative residing in the same household as the Named Insured.
- b. Co-Owner: Personal Liability is extended to a second owner or partner of a farm premises. If more than one, charge for each.
- c. Additional Insured: May be added for premises liability only for their insurable interest. If more than one additional insured, charge for each, except an estate situation. For an estate one charge will be made for all heirs listed.

ADDITIONAL RESIDENCE OCCUPIED BY INSURED

Liability coverage may be extended for additional residences occupied by the insured. Additional residences may be:

- a. Second residences.
- b. Summer homes.
- c. APS at another location, used by the insured for personal use.

If the additional residence is located outside of Illinois, contact your Underwriter.

RENTAL DWELLINGS

Personal liability coverage may be extended to include the additional residences rented others. The maximum number of rental units is 4. If the insured owns 5 or more rental units, contact the RMIC Commercial Lines Underwriting Department. One rental unit is one residence, occupied by one family.

APS Rented to Others.

If a structure covered under Coverage B is rented to other as a:

- a. Garage for housing personal motor vehicles, or other personal items such as watercraft, motor homes, etc., there is no premium charge.
- b. Residence premises, charge the appropriate Rental Dwelling Premium.

PERSONAL INJURY (RMIC 99-8077)

Liability coverage may be extended for personal injury to others such as false arrest, libel, slander, or invasion of privacy.

OPTIONAL COVERAGES SECTION II - LIABILITY

PERMITTED INCIDENTAL OCCUPANCIES/BUSINESS PURSUITS (99-420)

Provides coverage for personal liability and medical payments to others applying to the incidental business pursuits of the insured as stated:

Permitted Incidental Business Occupancies

Class A * (Under \$5,000 of Annual Sales)

Incidental Office: Accountant's, Insurance sales, Real Estate
Picture photo framing
Music of Dance lessons

Class B * (Under \$5,000 of Annual Sales)

Arts & crafts
Bait shop
Ceramic sales
Home products distributor
Saw & Tool sharpening
Teacher's liability (no corporal punishment) i.e. Tutoring - not to be used for full time teachers
Taxidermy
Textile work: Curtain, drapery, dressmaking, tailoring
Watch and jewelry repair

Class C (Under \$5,000 of Annual Sales)

Appliance repair
Beauty and Barber shops (non-professional liability)
Repair - Lawnmower, bicycle (no motorbikes or motorcycles)
Roadside stands and U-pick sales
Farmers open air market (off premises sales no medical payment available)
Salesman - seed - \$50,000

Products and completed operations coverage is excluded from all classifications. (Exceptions, orchards and farm market products.

For incidental pursuits not listed, contact the Rockford Mutual office.

HOME DAY CARE, 1-3 CHILDREN (RMIC 99-192)

The Personal Liability may be endorsed to cover the increased liability and medical payments exposures arising from a home day care operation on the residence premises.

This endorsement provides for an annual aggregate limit of liability for Personal Liability and Medical Payments combined. The Medical Payments coverage is subject to a sub-limit and does not increase the aggregate limit of liability. Maximum of 3 children at any one time.

OPTIONAL COVERAGES SECTION II - LIABILITY

WATERBED LEAKAGE LEGAL LIABILITY (RMIC 99-416)

Coverage may be provided for property damage caused by waterbeds and waterfilled furniture, to property on the residence premises, not owned by a tenant or condominium unit owner.

This coverage is only available for a tenant's or condominium unit owners personal liability.

FARM PREMISES AND OPERATIONS (RMIC 99-406)

Farm Premises and Operations liability may be extended from the CPL policy. This optional coverage is for the insured who lives in town, and operates a farm. This classification does not include a charge for a rental dwelling. Use the rental dwelling rate to charge for each rental dwelling on the farm premises.

FARMS RENTED TO OTHERS (RMIC 99-406)

Farms rented to others may be extended from the CPL policy. This optional coverage is for the insured who's occupation is other than farming, and farm income is solely from cash rent of the farm land. This classification does not include a charge for a rental dwelling. Use the rental dwelling rate to charge for each dwelling on the farm premises.

RECREATIONAL UNITS 99-8022 Watercraft Owners Endorsement 99-8023 Recreational Vehicles Owners Endorsement

Watercraft, Snowmobile, and Recreational Vehicles may be endorsed to the Combined Personal Liability Policy. See the Recreational Section of the manual for rules and rates.

Recreational endorsements must carry the same Liability and Medical Payments limits as the Personal Liability policy.

If a Monoline Policy is being applied for, Recreational Units must be insured on separate policies.