

# California



## Dwelling Program

Program Manual: DW-CA-PM-0001 (05/20)

New Business Dates:

Rates: 11-15-2018

Rules and Underwriting Guidelines: 5-15-2020

*American Modern Property and Casualty Insurance Company (071)*

### Dwelling Basic

### Dwelling Special

- Owner-occupied
- Seasonal
- Rental
- Vacant
- Not a Residence

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# NEW BUSINESS RESTRICTIONS

American Modern® is committed to the California market and carefully manages and evaluates its concentration of risk. These evaluations use objective, industry-standard methodologies, such as total insured value and/or other exposure measures, to assess exposure in defined geographic areas. Recent evaluations have led American Modern to implement new business restrictions in certain areas of California.

New business submissions for risks located in the following zip codes will not be accepted:

## **ZIP Codes in North San Diego County**

92003 92008 92009 92010 92011 92024 92025 92026 92027  
92028 92029 92054 92055 92056 92057 92058 92059 92067  
92069 92078 92081 92082 92083 92084 92091 92096 92127  
92128

## **ZIP Codes in Riverside and San Bernardino counties**

92220 92223 92256 92320 92339 92373 92399 92305 92314  
92315 92346 92359 92374 92382

## **ZIP Codes in El Dorado, Nevada, Placer, and Yuba counties**

96150 95728 96111 95631 95724 96140 96141 96142 96143  
96145 96146 96148 96161 96162 95635 95945 95946 95949  
95959 95975 95977 95602 95603 95648 95681 95703 95713  
95717 95722 95901 95692 95903 95918 95960

## **ZIP Codes in Madera and Mariposa counties**

93601 93604 93614 93643 93644 93653 93669 93623 95338

## **ZIP Codes in Santa Clara County**

95008 95013 95014 95020 95030 95032 95033 95037 95070  
95111 95117 95118 95119 95120 95123 95124 95125 95126  
95128 95129 95130 95136 95138 95139 95141

## **ZIP Codes in Santa Cruz County**

95003 95005 95006 95010 95018 95060 95062 95064 95065  
95066 95073 95076

All other ZIP Codes in the state remain open for new business.

## DWELLING BASIC

- ▶ The American Modern Property and Casualty Insurance Company (American Modern) **Dwelling Basic** program is designed to meet the needs of the dwelling owner that has **Rental, Seasonal** or **Vacant** property or **Owner-occupied** when the owner does not desire and/or qualify for coverage on a homeowners form. Risks should be in fair or better condition.
  - **“Fair condition”** means the home is structurally sound with no visible sagging porches or rooflines. A home in fair condition may also need cosmetic repairs such as paint, missing shutters, or other items that may affect the visible condition but does not affect the integrity of the structure.
  - **“Unacceptable condition”** includes, but is not limited to, broken or boarded up windows, excessively worn or damaged roof, unrepaired vandalism or damage, sagging porches and roofs, or excessive debris in the yard.
- ▶ Vacant dwellings may be temporarily vacant due to one of the following conditions: renovation or remodeling, between tenancy or real estate closings, dwellings held for sale and on the market, or investment properties. Eligible Vacant Risks include: Dwellings, Condominiums and Manufactured Homes.
- ▶ Tiny homes are acceptable if they contain at least 100 sqft of living space and are permanently located. Tiny homes that are mobile, on a trailer or have wheels are not eligible.



Owner-Occupied



Seasonal



Rental



Vacant



Tiny

### ▶ **Not a Residence (Stand Alone Other Structures)**

The Dwelling Basic Structure Endorsement is used for structures that are not dwellings and don't look like dwellings, but may have small or minimal living quarters, except boat houses. The Structure Endorsement (DB-CW-C-0003) allows the adjuster to identify that we are covering a non-residence under Coverage A. The structure may have a roof and may or may not be fully enclosed. Examples include pole barns, camping structures, casitas and covered boat slips. Risks should be in fair or better condition. Refer to the Risk Characteristics section for more detail.



Pole Barn



Boat Dock



Picnic Shelter



Casita

## DWELLING SPECIAL

- ▶ The American Modern Property and Casualty Insurance Company (American Modern) **Dwelling Special** program is designed to accept individuals who have **Rental, Seasonal**, or **Vacant** properties that would normally qualify for coverage through a standard carrier. **Owner-occupied** homes are not eligible in this program.
  - The program may also be used to accept individuals who may have difficulty obtaining homeowner insurance with standard carriers due to unfavorable liability exposures, such as a swimming pool, trampoline, incidental business exposure, or animals.
  - Risks must be in **above average** or better condition and reflect responsible ownership in the maintenance and upkeep of the property. Roof must be in good condition.
  - Risks with peeling paint, sagging gutters, overgrown premises, or cluttered with debris about the premises are not acceptable.



Seasonal



Rental



Vacant

ELIGIBILITY AND COVERAGES		
Coverages	Dwelling Basic	Dwelling Special
<b>Policy Form</b>	DB-CW-P-0001	DS-CW-P-0001
<b>Policy Term</b>	12 months, Effective 12:01 a.m. Standard Time	12 months, Effective 12:01 a.m. Standard Time
<b>Deductible</b>	\$500 All Peril Deductible	\$500 All Peril Deductible
<b>Loss Settlement</b>	Actual Cash Value	Replacement Cost
<b>Minimum Dwelling Limit</b>	Owner, Rental: \$20,000 Seasonal, Vacant, Not a Residence: \$5,000	\$75,000
<b>Maximum Dwelling Limit</b>	\$1,000,000	Rental, Seasonal, Vacant: \$1,250,000
<b>Maximum Dwelling Age</b>	No age limit	No age limit
<b>Occupancy</b>	Owner-occupied, Seasonal, Rental, Vacant, and Not a Residence	Rental, Seasonal, or Vacant
<b>Multi-Family</b>	1, 2, 3, or 4 Family Up to 3 stories	1, 2, 3, or 4 Family Up to 3 stories
<b>Location of Home</b>	Protection Class 1 - 10	Protection Class 1 - 10
PERILS INSURED AGAINST		
Coverages	Dwelling Basic	Dwelling Special
<b>Dwelling and Other Structures</b>	Named Peril (Fire & E.C.)	Comprehensive Coverage Water and Mold Limit: 10% Coverage A with a \$5,000 mold sublimit. (Higher limits available)
<b>Personal Property (optional)</b>	Named Peril (Fire & E.C.)	Named Peril
ADDITIONAL COVERAGES AUTOMATICALLY INCLUDED		
Coverages	Dwelling Basic	Dwelling Special
<b>Other Structures</b>	10% of Coverage A	10% of Coverage A
<b>Debris Removal</b>	Reasonable Expenses	Reasonable Expenses
<b>Fair Rental Value</b>	10% of Coverage A (reduces amount of Coverage A)	10% of Coverage A
<b>Reasonable Repairs</b>	Reasonable and Necessary	Reasonable and Necessary
<b>Fire Department Service Charge</b>	\$500	\$500

# POLICY FORM COMPARISON

Policy Form	Dwelling Basic	Dwelling Special	ISO-DP1	ISO-DP3
<b>A. DWELLING COVERAGE</b>	<b>Named Peril</b>	<b>All Risk</b>	<b>Named Perils - Basic</b>	<b>All Risk</b>
<b>Fire, Lightning and Internal Explosion</b>	Yes	Yes	Yes	Yes
<b>Smoke</b>	Yes, but not by fireplaces or agricultural smudging	Yes	Yes, but not by fireplaces or agricultural smudging	Yes
<b>Explosion</b>	Yes, but not by steam boilers or steam pipes	Yes	Yes, but not by steam boilers or steam pipes	Yes
<b>Windstorm/Hail</b>	Yes	Yes	Yes	Yes
<b>Riot/Civil Commotion</b>	Yes	Yes	Yes	Yes
<b>Aircraft</b>	Yes	Yes	Yes	Yes
<b>Vehicles</b>	Yes, but not by vehicles owned by insured	Yes	Yes, but not by vehicles owned by insured	Yes
<b>Volcanic Eruption</b>	Yes	Yes	Yes	Yes
<b>Vandalism or Malicious Mischief</b>	Yes, but for extra premium	Yes	Yes, but for extra premium	Yes
<b>Burglary</b>	Yes, but for extra premium	Yes	Yes, but for extra premium	Yes
<b>Collapse</b>	No	Yes	No	Yes
<b>Freezing</b>	No	Yes	No	Yes
<b>Water from plumbing, heating, or A/C system</b>	No	Yes, but not gradual seepage	No	Yes, but not gradual seepage.
<b>Power Interruption</b>	No, but ensuing loss covered if cause of interruption occurred on premises	No, unless cause of interruption occurred on premises	No, but ensuing loss covered if cause of interruption occurred on premises	No, unless cause of interruption occurred on premises
<b>Ordinance or Law</b>	No	10% Included	No	10% Included
<b>Earth Movement, Flood, Neglect, War, Nuclear Hazard, and Intentional Loss</b>	No	No	No	No
<b>B. OTHER STRUCTURES</b>	<b>Named Peril</b>	<b>All Risk</b>	<b>Named Peril</b>	<b>All Risk</b>
	10% of Coverage A (Payment <b>DOES NOT</b> reduce Coverage A)	10% of Coverage A	10% of Coverage A (Payment <b>DOES NOT</b> reduce Coverage A)	10% of Coverage A
<b>C. PERSONAL PROPERTY</b>	<b>Named Peril</b>	<b>Named Peril</b>	<b>Named Peril</b>	<b>Named Peril</b>
	Optional Coverage - Excludes theft, burglary available, but for extra premium	Optional Coverage - Excludes theft, burglary available, but for extra premium	Optional Coverage - Excludes theft, burglary available, but for extra premium	Optional Coverage - Excludes theft, burglary available, but for extra premium
<b>On Premises</b>	100% of Coverage C	100% of Coverage C	100% of Coverage C	100% of Coverage C
<b>Off Premises</b>	10% of Coverage C	10% of Coverage C	10% of Coverage C	10% of Coverage C
<b>D. ADDITIONAL LIVING EXPENSE/ FAIR RENTAL VALUE</b>	10% of Coverage A for Fair Rental Value only - reduces Coverage A	10% of Coverage A Included	20% of Coverage A Fair Rental Value only - reduces Coverage A	20% of Coverage Included
<b>E. OTHER COVERAGES</b>				
<b>Debris Removal</b>	Reasonable	Reasonable	Reasonable	Reasonable
<b>Property Removed</b>	Covered for up to 5 days	Covered for up to 30 days	Covered for up to 5 days	Covered for up to 30 days
<b>Fire Dept Service Charge</b>	\$500	\$500	\$500	\$500
<b>Plants, trees, shrubs &amp; lawns</b>	No	Yes; \$500 for any one plant, tree, or shrub	No	Yes; \$500 for any one plant, tree, or shrub
<b>F. LOSS SETTLEMENT</b>				
Dwelling	ACV Full Repair Optional Modified Functional Replacement Cost Optional	Replacement Cost Extended Replacement Cost Optional	ACV	Replacement Cost
Other Structures	ACV Full Repair Optional Modified Functional Replacement Cost Optional	Replacement Cost Extended Replacement Cost Optional	ACV	Replacement Cost
Personal Property	ACV	ACV Replacement Cost Optional	ACV	ACV Replacement Cost Optional

## OPTIONAL COVERAGES

Coverages	Important Information	Included Limits	Optional Limits	Dwelling Basic					Dwelling Special			
				O	S	R	V	N	S	R	V	
<b>Additional Living Expense/Fair Rental Value</b>	This coverage when purchased may be used for either Additional Living Expense or Fair Rental Value. Dwelling Basic includes 10% Fair Rental Value coverage which reduces Coverage A. Dwelling Special Includes 10% ALE/Fair Rental Value which does not reduce Coverage A.	10% Coverage A limit	Up to 40% of Coverage A limit	X	X	X				X	X	
<b>Builder's Risk Renovation and/or New Construction Coverage</b>	For Vacant Homes that are undergoing major renovations or completion of new construction (home must be fully enclosed). This endorsement allows you to insure the renovation amount prior to completion. The renovation amount should equal the value of improvements, alterations or repairs to buildings or structures under renovation. The endorsement includes coverage for scaffolding or temporary building constructions. Theft of Building Materials is covered up to a \$5,000 limit. If Premises Liability is purchased, Independent Contractor's liability is excluded. Upon completion of renovations, the Builder's Risk Coverage must be requested to be removed by the insured. <b>Examples of when the Builder's Risk Renovation could be endorsed:</b> <ul style="list-style-type: none"> <li>▶ Just purchased homes undergoing major renovation</li> <li>▶ Unfinished newly constructed homes that have been purchased out of foreclosure or bankruptcy prior to the home being 100% complete by the builder. The endorsement would cover the home while undergoing final construction. The home must be fully enclosed.</li> </ul>		Coverage A limit				X					
<b>Earthquake</b>	Provides coverage for direct physical loss to property covered under Coverages A, B, and C caused by an earthquake. A 15% (\$1,000 minimum for Coverage A) deductible will apply separately to each coverage.		Equal to Coverage A, B and C limits minus Earthquake Deductible amount. Coverage C will not be less than \$5,000	X	X	X	X	X		X	X	X
<b>Home Equipment Breakdown Protection</b>	Provides equipment breakdown protection for systems and appliances in the home. Subject to a \$500 deductible.		\$25,000	X	X	X	X	X		X	X	X
<b>Identity Recovery</b>	Covers identity recovery extra expense insurance and case management services.		\$15,000	X	X			X		X		
<b>Loss Assessment</b>	Provides coverage for claims involving the condominium building or its common areas. Only available for Vacant Condo.	\$1,000	\$5,000				X					
<b>Optional All Other Perils Deductibles</b>	The included All Other Peril Deductible may be changed to higher optional amounts listed. The change does not apply to any coverages with specific deductible limits listed in the endorsement.	\$500	\$1,000 \$2,500 \$5,000	X	X	X	X	X		X	X	X
<b>Ordinance or Law</b>	Provides coverage for any repair or construction required to comply with any ordinance or law, after a covered loss.	10% of Coverage A limit	100% of Coverage A limit							X	X	X
<b>Other Structures</b>	Limits may be increased up to 50% except for structures that are Not a Residence which can be increased up to 80%. Higher limits may be referred unbound for Dwelling Basic, refer to Underwriting.	10% of Coverage A limit	10% to 50% of Coverage A limit	X	X	X	X	X		X	X	X

## OPTIONAL COVERAGES

Coverages	Important Information	Included Limits	Optional Limits	Dwelling Basic					Dwelling Special			
				O	S	R	V	N	S	R	V	
<b>Personal Property</b>	Limits available up to 100% of Coverage A. Higher limits may be available for Dwelling Basic, refer Underwriting.		Up to 100% of Coverage A limit	X	X	X	X	X		X	X	X
<b>Residence Burglary</b>	Adds burglary as a peril insured against for the dwelling, household, or personal property from within the premises.		Up to 100% of Coverage C limit	X	X	X	X	X		X	X	X
<b>Service Line</b>	Covers damage or expense caused by service line failure. Subject to \$500 Deductible.		\$10,000	X	X	X	X	X		X	X	X
<b>Theft - Dwelling Basic</b>	Adds Theft and Vandalism or Malicious Mischief as a result of theft, as perils insured against for direct physical losses to household or personal property.		\$10,000	X								
<b>Theft - Dwelling Special</b>	Adds Theft and Vandalism or Malicious Mischief as a result of theft, as perils insured against for direct physical losses to household or personal property. Theft limit cannot exceed 25% if any prior Theft loss. Risks with 2 or more Theft losses are not eligible for Theft coverage.		10% of Coverage C limit							X		
<b>Vandalism or Malicious Mischief</b>	Adds Vandalism or Malicious Mischief as a peril insured against. Included coverage for Dwelling Special.		100% of Coverage A limit	X	X	X	X	X				
<b>Water Backup and Sump Overflow</b>	Provides coverage for losses caused by water which backs up through sewers or drains. Subject to a \$250 deductible.		\$5,000							X	X	
<b>Water Damage - Dwelling Basic</b>	Water Damage Limit of \$10,000 may be purchased which includes a \$5,000 Mold and Remediation Sub-limit. <b>Perils Insured Against:</b> ▶ Accidental Discharge or Overflow of Water or Steam ▶ Freezing of a Plumbing, Heating, Air Conditioning or Automatic Fire Protective Sprinkler System or of a Household Appliance ▶ Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging		\$10,000	X	X	X						
<b>Water Damage - Dwelling Special</b>	Water Coverage as provided for by the Dwelling Special policy may be increased up to 100% of Coverage A. -10% option includes a \$5,000 Mold and Remediation Sub-limit. All other options include a \$10,000 Mold and Remediation Sub-limit For risks with 2 or more water losses, Water limit cannot exceed 10%. If prior loss greater than \$10,000, Refer to Underwriting with explanation, Do Not Bind.	10% of Coverage A limit	10% of Coverage A limit 25% 50% 75% 100%							X	X	X
<b>Windstorm and Hail Buy-Back for Antennas</b>	Provides coverage for signs, radio or television antennas or aerials, masts or towers from windstorm or hail losses.			X	X	X	X					

O = Owner-occupied    S = Seasonal    R = Rental    V = Vacant    N = Not a Residence



## LIABILITY COVERAGES

Liability Coverages	Important Information	Optional Limits	Dwelling Basic					Dwelling Special				
			O	S	R	V	N	S	R	V		
<b>Landlord Personal Injury</b>	Premises Liability is pre-req for Landlord Personal Injury coverage. Limit matches Premises Liability limit chosen.	N/A			X					X		
<b>Medical Payments</b>	\$500 each person/\$25,000 each occurrence included when Personal or Premises Liability is present.	\$1,000 to \$10,000	X	X	X	X	X			X	X	X
<b>Mold and Remediation - Liability</b>	Personal or Premises Liability coverage is a pre-requisite. Limit must be less than or equal to the selected personal or premises liability limit.	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000 \$500,000	X	X	X	X	X			X	X	X
<b>Personal Liability</b>	Max of \$500,000 liability limit when swimming pool is on premises. <b>Includes when purchased</b> Medical Payments - \$500 Each Person / \$25,000 Each Occurrence Damage to Property of Others - \$1,000 Each Occurrence Animal Liability Sub-limit - \$10,000 Workers compensation - \$100,000 bodily injury and \$500,000 disease.	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000 \$500,000 \$1,000,000	X									
<b>Premises Liability</b>	Max of \$500,000 liability limit when swimming pool is on premises. <b>Includes when purchased</b> Medical Payments - \$500 Each Person / \$25,000 Each Occurrence Property Manager Premises Liability Coverage is automatically included when Premises Liability Coverage is purchased.	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000 \$500,000 \$1,000,000		X	X	X	X			X	X	X

## EXCLUSIONS

Coverages	Important Information	Dwelling Basic					Dwelling Special					
		O	S	R	V	N	S	R	V			
<b>Animal Liability Exclusion</b>	This exclusion is used to remove Animal Liability when necessary for risk acceptance. Please refer to the Underwriting Section for more detail.	X										
<b>Specific Building/ Structure Exclusion</b>	This exclusion removes coverage for a specific structure when the structure is in disrepair or there are other underwriting concerns that would make the risk ineligible. The specific structure to be excluded must be provided.	X	X	X	X	X				X	X	X
<b>Roof Exclusion</b>	Excludes roof coverage for risks that would otherwise be ineligible due to condition of roof or unrepaired roof damage.	X	X	X	X	X				X	X	X

## SETTLEMENT OPTIONS

<b>DWELLING SETTLEMENT OPTIONS</b>				Dwelling Basic					Dwelling Special		
Loss Settlement Options	Important Information	Insurance Value	Included/Optional	O	S	R	V	N	S	R	V
				<b>Actual Cash Value</b>	The actual cash value at the time of loss, but not more than the amount required to repair or replace the damaged property. ACV may be determined as the Replacement Cost less applicable depreciation for wear and tear, and obsolescence.	Home must be insured to 100% Market Value (less land value) not to exceed replacement cost.	Included in Dwelling Basic	X	X	X	X
<b>Replacement Cost</b>	The cost to repair or replace, subject to conditions set in the policy form.	Home must be insured to 100% replacement cost less land value.	Included in Dwelling Special						X	X	X
<b>Extended Replacement Cost</b>	Extended Replacement Cost includes the cost to repair or replace, subject to conditions set in the policy form. This settlement option allows an additional 20% of the Dwelling (Coverage A) limit of liability shown on the declaration (excluding land value).	Home must be insured to 100% replacement cost less land value.	Optional for Dwelling Special						X	X	X
<b>Modified Functional Replacement Cost</b>	Modified Functional Replacement Cost will replace materials with common constructed materials. This loss settlement option is available for older dwellings that were built using materials and methods which may now be considered obsolete or antique. Dwelling Special homes built before 1940 are required to use the Modified Functional Replacement Cost as their settlement option. Dwelling Basic roof age must be 20 years old or less to be eligible for Modified Functional Replacement Cost.	Home must be insured to 100% Modified Replacement Cost less land value.	Optional for Dwelling Basic and Dwelling Special	X	X	X	X	X	X	X	X
<b>Full Repair Cost</b>	Full Repair includes the full cost of repair without deduction for depreciation of the structure.	Home must be insured to 100% Market Value less land value.	Optional for Dwelling Basic	X	X	X	X	X			
<b>PERSONAL PROPERTY SETTLEMENT OPTIONS</b>											
<b>Actual Cash Value</b>	The actual cash value at the time of loss, but not more than the amount required to repair or replace the damaged property. ACV may be determined as the Replacement Cost less applicable depreciation for wear and tear, and obsolescence.		Included in base product	X	X	X	X	X	X	X	X
<b>Personal Property Replacement Cost</b>	Losses are settled at the cost to repair or replace, subject to conditions set in the policy form. When adding this coverage to an existing policy with 2 or more losses, refer to Underwriting.		Optional for Dwelling Special						X	X	X

# DISCOUNTS

Protective Devices	Important Information	Dwelling Basic					Dwelling Special		
		O	S	R	V	N	S	R	V
<b>Central Station Fire &amp; Smoke Alarm</b>	This system is connected to an independent and fully staffed security agent from which trained operators are available to act in case of a fire.	X	X	X		X	X	X	
<b>Central Station Burglar Alarm</b>	This system is connected to an independent and fully staffed security agent from which trained operators are available to act in case of a break in.	X	X	X		X	X	X	
<b>Local Smoke and/or Burglar Alarm</b>	This system sets off a loud alarm on the premises if there is a break in or fire. It is designed to alert the inhabitants and neighbors of the break in or fire.	X	X	X		X	X	X	
<b>Deadbolts, Smoke Alarm &amp; Fire Extinguisher</b>	This discount is available when the dwelling has deadbolts, smoke alarms and a fire extinguisher.	X	X	X		X	X	X	

\* Discounts not to total more than 10%. Copies of alarm system certificates are required for a credit.

Discounts	Important Information	Dwelling Basic					Dwelling Special		
		O	S	R	V	N	S	R	V
<b>Auto-Home</b>	This discount is available for insureds who have an auto policy that is directly written by an American Modern agency partner. Retain proof of membership.	X	X	X	X	X	X	X	X
<b>Claims Free</b>	This discount applies when an insured does not have any claims with a dollar amount paid above \$500 within the past 3 years evaluated as of the effective date of the policy and the loss is not associated with a Medical Payments only or a Property Claims Services (PCS-a Verisk company) designated catastrophe events.	X	X	X	X	X	X	X	X
<b>Paperless</b>	This discount is available when electronic delivery of policy documents is selected.	X	X	X	X	X	X	X	X
<b>Paid in Full</b>	This discount is available when Paid in Full payment plan is selected. This discount is only available when the insured is direct-billed.	X	X	X	X	X	X	X	X
<b>Multi-Policy</b>	This discount is available when the insured has two or more of a different policy form, under the same account within AMSuite®.	X	X	X	X	X	X	X	X

## PRIOR LOSS HISTORY

**A CLUE report will be obtained for all new business risks.  
 Inspections may be ordered for new business risks, to confirm repairs have been made following a loss or to address agency profitability issues.  
 A report may be ordered at renewal at our discretion.**

		Dwelling Basic	Dwelling Special
<b>LOSSES** IN THE PAST 3 YEARS</b>		Refer to underwriting if more than 3 losses Refer to underwriting if more than 1 fire, liability, or theft/burglary loss.	Refer to underwriting if more than 1 non-weather and 2 weather losses.
		Provide explanation including any risk mitigation or preventative measures taken.	
<b>REFER, DO NOT BIND</b>	<b>FIRE LOSSES &gt; \$10,000</b>	Provide details of fire, including preventative measures taken to prevent future fires. A copy of the fire report is required. Arson or an intentional act by applicant <b>NOT</b> acceptable.	
	<b>ALL LIABILITY LOSSES</b>	Maximum available \$100,000 Liability and \$1,000 Med Pay with any paid liability loss of \$500 or more.	
	<b>THEFT LOSSES &gt; \$5,000</b>	Provide preventative measures taken.	
	<b>EXCLUDING A CLUE LOSS</b>	Applicable when excluding a loss greater than \$500 reported by CLUE and loss is within 3 years of the policy effective date.	

\*\*Losses are valid if \$500 or more paid and loss occurred within 3 years of the policy effective date and the loss is not associated with a Medical Payment only or a Property Claims Services (PCS - a Verisk company) designated catastrophe events.

## RISK CHARACTERISTICS

<b>Animals</b>	<ul style="list-style-type: none"> <li>▶ Applicants with large, unusual, exotic, vicious, or potentially vicious animals are <b>ONLY</b> acceptable with the Animal Liability Exclusion, or if the policy is written without liability coverage. Animals in this category include, but are not limited to:                             <ul style="list-style-type: none"> <li>• 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> </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, or steps and ladders that can be secured, locked, or removed when the pool is not in use.</li> <li>▶ Max of \$500,000 liability limit when swimming pool is on premises.</li> <li>▶ Risks not meeting this criteria are acceptable if liability coverage is <b>NOT</b> included.</li> </ul>
<b>Roof</b>	<ul style="list-style-type: none"> <li>▶ <b>Dwelling Basic:</b> No age restriction.</li> <li>▶ <b>Dwelling Special:</b> Must be 20 years of age or newer and in good condition with no missing, lifting or curling shingles. Exceptions to the roof age rule are tile and concrete tile roofs, steel or heavy gauge metal roofs. Aluminum and tin roofs are <b>NOT</b> acceptable.</li> <li>▶ <b>Dwelling Special:</b> Roll roofing on flat roofs is not acceptable.</li> <li>▶ <b>Dwelling Special:</b> Flat roofs are not acceptable if home is greater than 60 years old.</li> <li>▶ <b>Dwelling Special:</b> If row home or town home has a flat roof then not acceptable.</li> </ul>
<b>Wiring</b>	<ul style="list-style-type: none"> <li>▶ <b>Dwelling Basic &amp; Dwelling Special:</b> Knob &amp; tube wiring is <b>NOT</b> acceptable.</li> <li>▶ <b>Dwelling Special:</b> <b>Must</b> have circuit breakers. Fuse boxes (full or partial) are <b>NOT</b> acceptable.</li> </ul>
<b>Heating</b>	<ul style="list-style-type: none"> <li>▶ Primary heat source must be thermostatically controlled and <b>NOT</b> a supplemental heating device unless written as <b>Dwelling Basic - Seasonal</b>.</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. <b>Note:</b> Permanently attached thermostatically controlled space heaters and fireplaces without fireplace inserts do not require Supplemental Heating Device Surcharge.</li> </ul>
<b>Row Homes or Town Homes</b>	<ul style="list-style-type: none"> <li>▶ <b>Must</b> have roof and electric updated in the last 20 years if the age of home is greater than 60 years old.</li> <li>▶ <b>Refer to Underwriting for approval:</b> Row home or town home attached to a commercial <b>risk</b>.</li> <li>▶ <b>Must</b> have firewalls that extend to the roof separating each unit and not be considered to be a condominium.</li> <li>▶ <b>Must</b> contain 8 units or less in a row.</li> <li>▶ <b>Dwelling Special:</b> Flat roofs are not acceptable.</li> </ul>

## RISK CHARACTERISTICS (continued)

<b>Business on Premises</b>	<ul style="list-style-type: none"> <li>▶ Some incidental businesses on premises may be eligible. <ul style="list-style-type: none"> <li>• This could include home offices, and other small businesses with very light or no foot traffic. Depending on the nature of the business, it may be eligible either with or without liability coverage, at the underwriter's discretion.</li> <li>• <b>Ineligible businesses</b> include, but are not limited to: home day care, beauty salons, automotive repair, welding, dog kennels, retail stores, businesses with increased liability hazards and any business where potentially dangerous chemicals, pollutants, extreme heat/ flame or dangerous activities may be involved.</li> </ul> </li> <li>▶ <b>Refer to Underwriting for approval:</b> Incidental Businesses with any foot traffic. Liability is not available with any business employees.</li> </ul>
<b>Farming on Premises</b>	▶ Acceptable if liability coverage is <b>NOT</b> included.
<b>In Name of Corporation</b>	<ul style="list-style-type: none"> <li>▶ Owner-occupied acceptable if Personal Liability coverage is <b>NOT</b> included.</li> <li>▶ Premises liability coverage is available for Rental, Seasonal, and Vacant risks.</li> </ul>
<b>Non-Renewed or Cancelled</b>	▶ Applicants non-renewed or cancelled by the prior carrier due to excess losses, large losses, or physical hazards must provide reason for non-renewal or cancellation and <b>Refer to Underwriting</b> for approval.
<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 acceptable if liability coverage is <b>NOT</b> included.</li> </ul>
<b>Uninsured Properties</b>	<ul style="list-style-type: none"> <li>▶ <b>The following applies for both Dwelling Basic - Seasonal and those Not a Residence Structures:</b> <ul style="list-style-type: none"> <li>• If dwelling value is greater than or equal to \$30,000 and dwelling has been uninsured for more than 30 days, Refer to Underwriting for approval with explanation.</li> <li>• If the dwelling value is less than \$30,000 or a Floating Home, there is no prior insurance requirement.</li> </ul> </li> <li>▶ <b>For all Dwelling Special - all occupancies, and Dwelling Basic Owner, Rental and Vacant:</b> <ul style="list-style-type: none"> <li>• If the risk has been uninsured for 31-90 days Refer to Underwriting with explanation.</li> <li>• If the risk has been uninsured for more than 90 days then <b>DO NOT BIND/DO NOT REFER TO UNDERWRITING</b>. Special exceptions may be made for extenuating circumstances. Please contact your underwriter for consideration with full details.</li> </ul> </li> </ul>
<b>Occasional Rental</b>	<ul style="list-style-type: none"> <li>▶ Owner or seasonally occupied homes rented out for any length of time must purchase the Occasional Rental coverage for acceptability.</li> <li>▶ The home should not be intended to be a weekly rental during a high peak rental season. If this home is intended for weekly rental during a high peak rental season, this should be endorsed to a Rental Occupancy during this period.</li> </ul>
<b>Short Term Rental</b>	<p><b>The following applies to Rental Dwelling Basic and Dwelling Special.</b></p> <ul style="list-style-type: none"> <li>▶ The Lease Term must be less than 3 months and can be a weekly rental.</li> <li>▶ Insured lives within 100 miles of the property or the property is managed by a property manager.</li> <li>▶ Reduction in Coverage when Vacant or Unoccupied will not apply.</li> </ul>
<b>Not a Residence (Stand Alone Other Structures)</b>	<ul style="list-style-type: none"> <li>▶ <b>Not a Residence - Structure Endorsement - From the Residence Type, chose Not a Residence</b> <ul style="list-style-type: none"> <li>• The Structure Endorsement (DB-CW-C-0003) will provide coverage for the following structures: <ul style="list-style-type: none"> <li>• Structures used for seasonal purposes such as camping structures.</li> <li>• Casitas (RV Canopies, awnings, building structures that may contain minimal living areas and outdoor living areas not attached to the RV).</li> <li>• Structures like pole barns, garages or cabanas.</li> <li>• Boat houses (no living quarters), covered boat slips or boat docks. <ul style="list-style-type: none"> <li>▪ No liability is available for boat houses/covered slips.</li> </ul> </li> <li>• <b>Please note:</b> For mechanical lift coverage, please see our Boat or Yacht Program for coverage availability. We also permit the open pier and stilt structures for these risks.</li> <li>• If the structure has living quarters and is used for seasonal purposes, it may be written as seasonal dwelling. If the structure looks more like a dwelling, then it should be written normally depending on the occupancy. The intent of the Structure Endorsement is to provide a way to write structures that are not dwellings and would not normally be acceptable.</li> <li>• Coverage A will be provided on these risks with the same options available in our <b>Dwelling Basic Program</b>.</li> <li>• When 2 or more structures need to be insured on the same premise and neither is a dwelling, the largest structure should be insured as the Coverage A with the Structure Endorsement. The second structure should be written as Other Structure Coverage on the same policy. If multiple structures are on the premises, they all must be in condition acceptable for the program, regardless of whether American Modern is insuring all structures or not.</li> </ul> </li> </ul> </li> </ul>

## REFER FOR UNDERWRITING APPROVAL - DO NOT BIND

- ▶ Backdating policy changes and rewrite transactions when there is an open claim on the policy.
- ▶ Total living area less than 100 sq ft or greater than 9950 sq ft.
- ▶ Adding liability to an existing policy.
- ▶ More than one property manager per unit.
- ▶ More than two mortgagees.
- ▶ Additional insureds when:
  - More than three
  - More than one additional Insured is added as the Primary Named
  - Relationship to primary named insured is “other”
- ▶ Vacant dwelling intent — other
- ▶ Purchase price of \$0 or \$1.00
- ▶ Primary heat source — other
- ▶ Four or more losses of any kind in the last three years (For additional guidelines see “Prior Loss History”).

## RISKS THAT ARE NOT ACCEPTABLE - DO NOT BIND - DO NOT REFER TO UNDERWRITING

- Applicant with these Characteristics:**
- ▶ Past conviction for arson, fraud, or other insurance-related offenses.
  - ▶ If an Additional Insured is a minor.

- Liability Concerns:**
- ▶ Pools that are not enclosed by a fence at least 4 feet tall that has a locked gate, or the steps and ladders to the pool cannot be secured or removed when it is not being used when requesting Liability coverage.
  - ▶ Animals on the premises that have a previous bite history or vicious propensities, or wild or exotic animals or farm animals when Personal Liability is purchased unless the Animal Liability Exclusion is selected.
  - ▶ Dobermans, Chows, Rottweilers, Pit Bulls, Akitas, wolves or wolf hybrids or any mix of these breeds on the premises when Personal Liability is purchased unless the Animal Liability Exclusion is selected.
  - ▶ Farming on the premises when Liability is requested.
  - ▶ Underground fuel storage tank when Liability is requested.
  - ▶ Primary named insured is a company and Personal Liability Coverage is requested.
  - ▶ Business employees who work on the premises when Liability is requested.
  - ▶ Business on the premises which increases the property or liability hazard, for example (but not limited to): hazardous chemicals, pollutants, extreme heat or flame, riding stable or dog kennel.

- Construction/Condition/Use:**
- ▶ Hand hewn log homes unless written in Dwelling Basic, year built is 1999 or later and ACV/Market Value Loss Settlement applies.
  - ▶ Earth homes, dome homes, or any other non-conventional design (except **Floating Home Residence Type**).
  - ▶ Manufactured homes, condominiums or trailers (if vacant, manufactured homes or condominiums may be eligible for **Dwelling Basic – Vacant**).
  - ▶ Supported by raised poles or pilings that are over 6 feet tall (except for **Boat Slips**).
  - ▶ Attached to a commercial risk (except for **row home or town homes**, subject to underwriting approval).
  - ▶ Row Homes or Town Homes whose roof and electric haven't been updated in the past 20 years, if the home is greater than 60 years.
  - ▶ Row Homes or Town Homes that contain more than 8 units and do not have fire walls separating each unit.
  - ▶ Condemned or abandoned
  - ▶ If the dwelling has the following characteristics (except for **Dwelling Basic – Vacant** if under renovation):
    - Any water leaks or unrepaired water damage (except **Not a Residence**).
    - Any windows that are broken or boarded-up, or any other unrepaired damage.

## RISKS THAT ARE NOT ACCEPTABLE - DO NOT BIND - DO NOT REFER TO UNDERWRITING (continued)

- Under construction or undergoing a major renovation. (Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering.)
- ▶ Other structures in poor physical condition and not properly maintained (unless the Specific Building Exclusion is attached).
- ▶ Homes that are not fully enclosed.
- ▶ Vacant dwellings with the intent is to demolish or physically relocate the building.
- ▶ In the **Dwelling Special** program:
  - Aluminum or tin roofs.
  - Roll roofing on flat roofs
  - Flat roofs on row home or town homes
  - Flat roofs on homes greater than 60 years old
  - Roofs over 20 years of age unless tile, concrete tile, steel or heavy gauge metal roof
  - Roofs in need of repair or replacement including but not limited to roofs with curling, lifting or missing shingles. Roofs must be in good condition.
  - Open foundations
  - Floating Homes
  - Non-dwelling Structures (Pole Barn, Camping Structures, Boat House/Dock etc.)
  - Owner Occupied dwellings
- ▶ Rented out for less than 3 months including weekly rentals unless the Short Term Rental Coverage is purchased.
- ▶ Owner and seasonally occupied dwellings that are rented out for any length of time unless the Occasional Rental Coverage is purchased.
- ▶ Fraternity, sorority, student housing, group home, halfway home, or other similar occupancy.
- ▶ Daycare on the premises

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### Utilities:

- ▶ Active Knob and Tube wiring
- ▶ Fuse Boxes- partial or full unless written in **Dwelling Basic**.
- ▶ Primary heat source is not thermostatically controlled unless written as **Dwelling Basic-Seasonal**.
- ▶ Without utilities unless written as **Dwelling Basic** program with the occupancy of **Seasonal, Vacant or Not a Residence**

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### Location and Other:

- ▶ If the dwelling cannot be reached by a road (except for **Dwelling Basic - Seasonal** occupancy or **Not a Residence**).
- ▶ Located in an area that is prone to or has had a prior occurrence of landslide, forest fires, or brush fire.
- ▶ Dwellings located on an island or within 1,000 feet of a seacoast, bay or sound.
- ▶ Location which returns a Wildfire Risk Score of 41 or higher.

**Circumstances reflecting an unusual exposure or increase in hazard not addressed above are unacceptable.**

## GENERAL RULES AND RATING INFORMATION

1. **Application** The application and all forms should be completed in AMsuite and printed or electronically signed. The agent's and applicant's signatures are required. For any documents that require a signature, AMsuite offers the ability to electronically sign documents. An e-mail and a mobile phone number is required from the insured to complete the process. Not all situations will allow for e-signature, AMsuite will determine the eligibility to electronically sign the documents.
2. **Binding**
- All applications should be entered completely into AMsuite. Rules in AMsuite will determine if coverage can be bound.
  - If the quote is required to be referred to underwriting for review, it is the agent's responsibility to notify the customer at the time of referral that the risk is not bound.
  - Unbound referred applications in AMsuite that do not meet our underwriting guidelines will be rejected and the agent will be notified by an assigned activity in AMsuite or by email.
  - If an issue is rejected, a notice will not go out to the customer so it is the agent's responsibility to notify the customer that a policy will not be issued. A declination notice may be produced upon request.
3. **Cancellation Rule** **No flat cancellation** is allowed if coverage has been provided under our policy.
4. **Claims Verification** A C.L.U.E. report showing past claims history will be ordered.
5. **Inspection Fee** An inspection report may be reviewed as part of the underwriting evaluation for any applicant. A \$35 Inspection Fee will be charged when ordered. The fee is waived when an inspection ordered is a duplicate of a recent inspection and no changes to the risk have occurred, or in cases where a policy is rewritten and the inspection is cancelled due to being a duplicate of a recent inspection.
6. **Insurance to Value** **See Dwelling Settlement Options.**
7. **Minimum Written and Earned Premium** There is a \$100 **minimum written** and **earned** premium for all programs.
8. **Transfer or Assignment** Policies may **not** be transferred or assigned.
9. **Whole Dollar Premium** The premium shall be rounded separately for each coverage to the nearest **whole dollar**. Any premium changes effective mid-term will be rounded to the penny.
10. **Mailing Address** Any mailing address must be located within the United States of America. Canadian Customers - A policy may be written on an eligible property located in the United States for a Canadian customer. All mailings to the insured must be sent to a mailing address within the United States (other than the mailing address of the producing agent).

## 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 American Modern 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

- ▶ 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.

Binding Restrictions and updates are posted in AMsuite. Producers are encouraged to monitor information resources such as the news when there are impending severe weather or catastrophic events in the area.

For information on current binding restrictions please check the **My News** section on the home page.



## CANCELLATION PROCEDURES

A request to cancel a policy with American Modern should be made within 90 days of the requested cancellation date. If the request is received more than 90 days after the requested cancellation date, the request must also be accompanied by the following:

- ▶ A declarations page from another carrier showing coverage in force from that date; or
- ▶ A bill of sale or other proof that the insured no longer had an interest in the home from the date.

Other acceptable reasons for backdating a cancellation request:

- ▶ Duplicate American Modern policy providing coverage for the same risk exists – valid American Modern policy number must be provided.
- ▶ The request to cancel is due to a total loss to the home and the cancellation date is after the total loss.

## DEFINITIONS

1. Owner-Occupied  
Dwellings owned by the insured that are occupied on a **full-time** basis as the insured's primary residence for **at least five (5)** consecutive months. (Dwellings may not be rented to others for any length of time unless Occasional Rental Coverage applies.)
2. Seasonal  
Dwellings owned by the insured that are occupied on an intermittent or **non-continuous** 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 unless Occasional Rental Coverage applies.
3. Rental  
Dwellings owned by the insured that are rented to others for residential purposes.
4. Vacant  
Dwellings, manufactured and/or modular homes or condominiums that are unoccupied, whether or not the contents have been removed.
5. Supplemental Heat Device  
Wood, coal or pellet burning stoves, space heaters, fireplace inserts or any other solid fuel burning device that is not centralized. Thermostatically controlled space heaters do not require the Supplemental Heating Device Surcharge.  
**Portable kerosene heaters or space heaters that are not thermostatically controlled are ineligible.**
6. Not a Residence  
Structures may have a roof, may or may not be fully enclosed and may have small or minimal living quarters, except boat houses.
7. Row Home / Town Home  
Residences where more than 2 units are connected by a common wall to the other dwellings/units not owned by our insured. The interior and exterior walls must be owned by the insured and should not be considered a condominium. The surcharge still applies to end units of row homes/town homes.
8. Occasional Rental  
The home may be intermittently rented for less than a three month period on an annual basis as long as the home continues to meet the underwriting guidelines set for the appropriate owner or seasonal programs. In addition, the home should not be intended to be a weekly rental during a high peak rental season.

## QUOTING PROCEDURE

Quoting and issuance of policies will only be available through AMsuite. If you do not have access to our website, please call your Account Manager or General Agent, whichever applies.

In AMsuite, an accurate quote will be ensured by entering all of the requested information. On the QUALIFICATION page, you will be asked to verify some information about the applicant before reports can be ordered. On the QUALIFICATION page are our disclosures to the insured that third party reports may be ordered. **You must read the disclosure statement(s) to the insured before proceeding.**

## PAYMENT PLANS

Payment plan availability varies based on the premium of the policy. AMsuite will only display payment plans that are available based on the policy premium.

### ANNUAL POLICIES

1. Paid in Full - 100% down with no remaining installments.
2. 2 - Pay Plan - 50% down with 1 remaining installment. EFT available for this plan.
3. 4 - Pay Plan - 25% down with 3 remaining installments. EFT available for this plan.
4. 6 - Pay Plan - 20% down with 5 remaining installments. EFT available for this plan.
5. Monthly - 20% down with up to 10 remaining installments. **MUST** be recurring electronically.

**A service fee will be assessed for each remaining installment. Late fees, reinstatement fees and insufficient fund fees may apply.**

# How To Reach Us

## Policy or billing questions

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**Call: 1-800-543-2644**

**Hours:** Monday to Friday, 8 a.m. to 8 p.m. Eastern

**Payment Lockbox Address:** PO Box 740167, Cincinnati, OH 45274-0167

## AMsuite support

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**Call: 1-866-527-9583**

**Hours:** Monday to Friday, 7 a.m. to 12 a.m. Eastern

Saturday and Sunday, 8 a.m.- 9 p.m.

*After hours support handled by voicemail return call.*

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

**Hours:** Monday to Friday, 7 a.m. to 12 a.m. Eastern

**Need Help?** Talk to your office's AMSuite Profile Administrator *OR* Click the Help Link at the upper right of the AMSuite screen.

## Report a claim.

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**Online:** In AMSuite, under the Quotes and Policies tab click the Claims link.

**Call: 1-800-543-2644**

**Fax:** 513-947-4046

**Mail Address:**

American Modern Insurance Group, Inc.

Attn: Claims Processing

PO Box 5323

Cincinnati, OH 45201-5323

## Ordering sales or marketing materials

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Access the Marketing Center Quick Link on the modernLINK® home page.



DW-CA-PM-0001 (03/20)

Coverage is subject to policy terms, conditions, limitations, exclusions, underwriting review and approval, and may vary or not be available for all risks or in all states. Rates, discounts vary, are determined by many factors, are subject to change.

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