

# California



## Homeowners FLEX<sup>®</sup> Program

Program Manual: H3-CA-PM-0001 (12/22)

New Business Date: 12-31-2022

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

### Homeowners FLEX (Version 2)

- Owner-occupied
- Seasonal



# TABLE OF CONTENTS

<b>Contents</b>	<b>Page</b>
Program Characteristics .....	1
Eligibility and Coverages .....	2
Policy Form Comparison .....	3
Optional Coverages .....	4-5
Liability Coverages, Exclusions .....	6
Settlement Options .....	7
Discounts .....	8
Underwriting Rules .....	9-12
General Rules and Definitions .....	13-14
Procedures and Bill Payment .....	15
How to Reach Us .....	Back Cover

- ▶ The American Modern Property and Casualty Insurance Company (American Modern) **Homeowners FLEX** 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 submittals must be OWNER-occupied or SEASONAL and in average or better condition with well-maintained premises.
  - **“Average or better condition”** means the home has no existing damage or deferred maintenance and is structurally sound with no sagging porches or rooflines. Heating, wiring and plumbing systems are to be in good working order and the roof will be in good condition. The home must reflect pride of ownership in the maintenance and upkeep of both the dwelling and premises, including the yard, trees and shrubs.
  - **“Unacceptable condition”** includes, but is not limited to, broken or boarded up windows, unacceptable debris, appliances outside of the home, unregistered and in-operable vehicles, unrepaired vandalism or damage, excessive paint peeling, missing/damaged siding, or shingles, damaged, worn, lifting, curling roofs or sagging porches and roofs. Minor worn, lifting or curling roofs may be accepted at the underwriter’s discretion and may require an ACV Roof Settlement, Roof Exclusion or higher deductible.
  - **“Unacceptable Debris”** means items scattered on or around the premises showing neglect over a period of time, including garbage, appliances, tires, discarded autos, blocks, bricks, and excessive personal belongings. A small debris pile that is created from the maintenance on the home is acceptable as long as the pile appears to have been recently created and is intended to be removed shortly.



Owner-Occupied



Seasonal

## ELIGIBILITY AND COVERAGES

Coverages		Homeowners FLEX (v2)
Policy Form		H3-CW-P-0001
Policy Term		12 months, Effective 12:01 a.m. Standard Time
Deductible		\$1,000 All Other Peril Deductible
Loss Settlement		Dwelling & Other Structures: Replacement Cost (Actual Cash Value, Extended Replacement Cost, Full Repair Cost, and Modified Functional Replacement Cost are Optional. Modified Functional Replacement Cost is required for homes built in 1960 and prior unless Actual Cash Value or Full Repair Cost settlement option is preferred.)
Maximum Dwelling Limit		\$1,000,000
Maximum Dwelling Age		No age limit Replacement Cost, Extended Replacement Cost, and Modified Functional Replacement Cost available for dwellings with roofs 20 years old or less. (see Risk Characteristics for roof type exceptions to the roof age rule)
Occupancy		Owner and Seasonal
Multi-Family		1 or 2 Family
Water and Mold Limit		Full Water Coverage Included with \$10,000 Mold and Remediation-Property. Lower Water Coverage limits available.

## PERILS INSURED AGAINST

Coverages		Homeowners FLEX (v2)
Dwelling and Other Structures		All Risk / Open Peril
Personal Property		Named Peril

## ADDITIONAL COVERAGES AUTOMATICALLY INCLUDED

Coverages		Homeowners FLEX (v2)
Other Structures		10% of Coverage A
Personal Property		50% of Coverage A
Loss of Use		20% of Coverage A
Personal Liability		\$100,000
Medical Payments		\$500 Medical Payments each person, \$25,000 each occurrence
Loss Assessment		\$1,000
Theft		Up to the policy limits
Water Coverage		Full Coverage up to the policy limits included. Optional buy-down limits available.
Debris Removal		Reasonable Expense
Reasonable Repairs		Reasonable Cost
Trees, Shrubs, and Other Plants		5%, but not more than \$500 for any one tree, shrub, or plant
Fire Department Service Charge		\$500
Credit Card, Fund Transfer Card, Forgery And Counterfeit Money		\$500

## POLICY FORM COMPARISON

Policy Form	Homeowners FLEX (v2)	ISO-HO-3	ISO-HO-8
<b>A. DWELLING COVERAGE</b>	<b>All Risk</b>	<b>All Risk</b>	<b>Named Perils - Basic</b>
<b>Fire, Lightning and Internal Explosion</b>	Yes	Yes	Yes
<b>Smoke</b>	Yes, but not by agricultural smudging	Yes, but not by agricultural smudging	Yes, but not by fireplaces or agricultural smudging
<b>Explosion</b>	Yes	Yes	Yes
<b>Windstorm/Hail</b>	Yes	Yes	Yes
<b>Riot/Civil Commotion</b>	Yes	Yes	Yes
<b>Aircraft</b>	Yes	Yes	Yes
<b>Vehicles</b>	Yes, but not by vehicles owned by insured	Yes, but not by vehicles owned by insured	Yes, but not by vehicles owned by insured
<b>Volcanic Eruption</b>	Yes	Yes	Yes
<b>Vandalism or Malicious Mischief</b>	Yes	Yes	Yes
<b>Theft</b>	Yes	Yes	Yes
<b>Collapse</b>	Yes	Yes	No
<b>Freezing</b>	Yes	Yes	No
<b>Water from plumbing, heating, or A/C system</b>	Yes	Yes	No
<b>Sudden and Accidental Damage from Artificially Generated Electrical Current</b>	Yes	Yes	No, but <i>ensuing loss</i> covered if cause of interruption occurred on premises
<b>Ordinance or Law</b>	Optional Buy Back Available	10% of Coverage A	No
<b>Earth Movement, Flood, Neglect, War, Nuclear Hazard, and Intentional Loss</b>	No	No	No
<b>B. OTHER STRUCTURES</b>	<b>All Risk</b>	<b>All Risk</b>	<b>Named Peril</b>
	10% of Coverage A	10% of Coverage A	10% of Coverage A
<b>C. PERSONAL PROPERTY</b>	<b>Named Peril</b> Including Theft 50% of Coverage A	<b>Named Peril</b> Including Theft	<b>Named Peril</b> Including Theft
<b>On Premises</b>	100% of Coverage C	100% of Coverage C	100% of Coverage C
<b>Off Premises</b>	10% of Coverage C or \$1,000 whichever is greater	10% of Coverage C or \$1,000 whichever is greater	10% of Coverage C or \$1,000 whichever is greater
<b>D. LOSS OF USE</b>	20% of Coverage A	% varies by company	% varies by company
<b>E. ADDITIONAL COVERAGES</b>			
<b>Debris Removal</b>	Reasonable Expense	Reasonable Expense	Reasonable Expense or \$1,000 for tree
<b>Property Removed</b>	Covered for up to 30 days	Covered for up to 30 days	Covered for up to 30 days
<b>Fire Dept Service Charge</b>	\$500	\$500	\$500
<b>Plants, trees, shrubs &amp; lawns</b>	5%, but not more than \$500 for any one tree, shrub, or plant	5%, but not more than \$500 for any one tree, shrub, or plant	5%, but not more than \$250 for any one tree, shrub, or plant
<b>F. LOSS SETTLEMENT</b>			
<b>Dwelling</b>	Replacement Cost (80/20 Coinsurance Clause)	Replacement Cost (80/20 Coinsurance Clause)	Functional Replacement (80/20 Coinsurance Clause)
<b>Other Structures</b>	Replacement Cost	Replacement Cost	Functional Replacement Cost
<b>Personal Property</b>	ACV	ACV	ACV

Language contained within the Program Manual is for informational purposes only and does not override any policy language. Refer to policy forms and endorsements for full coverage details.

## OPTIONAL COVERAGES

Coverages	Important Information	Included Limits	Optional Limits	Homeowners	
				O	S
<b>Difference in Conditions</b>	Two options are available 1) Fire, Lightning, Internal Explosion and Smoke Exclusion or 2) Fire, Extended Coverage and Vandalism exclusion. Both options provide a credit. These exclusions are available to all policies. A signed disclosure notice will also be required prior to issuance.			<b>X</b>	<b>X</b>
<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 limits minus Earthquake deductible amount	<b>X</b>	<b>X</b>
<b>Hobby Farming</b>	Adds coverage for personal property used in hobby farming up to 10% of Coverage C. Also adds Coverage E - Personal Liability and Coverage F - Medical Payments, but will pay no more than \$10,000 for any claim. This endorsement is strictly for crop farming and animal grazing. It is NOT for exposures such as dog breeding, share cropping, community gardening, farmland rental to others, slaughtering, rendering, bee keeping, tractor repair, or any other business exposure.		See Form for Details	<b>X</b>	<b>X</b>
<b>Home Equipment Breakdown Protection</b>	Provides equipment breakdown protection for systems and appliances in the home. Subject to a \$500 deductible.		\$25,000	<b>X</b>	<b>X</b>
<b>Home-Sharing or Occasional Rental</b>	Owner or seasonally occupied homes rented out for any length of time are eligible if you attach the Home-Sharing or Occasional Rental coverage. The home should not be intended to be a weekly rental on an ongoing basis or during a high peak rental season.		See form for details	<b>X</b>	<b>X</b>
<b>Identity Recovery</b>	Covers identity recovery extra expense insurance and case management services.		\$15,000	<b>X</b>	<b>X</b>
<b>Loss of Use</b>	Provides coverage if the home is unfit to live in because of a covered loss while the home is repaired or rebuilt.	20% of Coverage A limit	10% to 40% of Coverage A limit	<b>X</b>	<b>X</b>
<b>All Other Peril 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.	\$1,000	\$500 \$2,500 \$5,000	<b>X</b>	<b>X</b>
<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	25% of Coverage A limit	<b>X</b>	<b>X</b>
<b>Other Structures</b>	Limits may be increased up to 50% of coverage A. Higher limits may be referred for underwriting approval.	10% of Coverage A limit	Up to 50% Coverage A limit	<b>X</b>	<b>X</b>
<b>Personal Property</b>	Limits available up to 100% of Coverage A.	50% of Coverage A limit	40% to 100% Coverage A limit	<b>X</b>	<b>X</b>
<b>Scheduled Personal Property</b>	Due to internal policy limits the following items may be scheduled: Jewelry, Furs, Musical Instruments, Silverware, Golfer's Equipment, Fine Arts, Rare Coins, Cameras, Stamps, Computers, Guns, Tools, and other personal property.  Coverage limits less than \$20,000 in aggregate, or \$2,500 for any single item require: 1. A detailed description; 2. Serial or model number; 3. Bill of sale or receipt showing the date of purchase along with the purchase price.		Up to \$10,000 per item - Jewelry, Fine Art, and Furs  Up to \$5,000 per item - Excluding Jewelry, Fine Art and Furs	<b>X</b>	<b>X</b>

## OPTIONAL COVERAGES (continued)

Coverages	Important Information	Included Limits	Optional Limits	Homeowners	
				O	S
<b>Scheduled Personal Property (continued)</b>	Coverage limits in excess of \$20,000 in the aggregate, or \$2,500 for any single item require 1. A suitable explanation for total limits in excess of \$20,000; 2. An appraisal, no older than 3 years, for each item, set, or collection valued over \$2,500.			<b>X</b>	<b>X</b>
<b>Service Line</b>	Covers damage or expense caused by service line failure. Subject to \$500 Deductible.		\$10,000	<b>X</b>	<b>X</b>

O= Owner-occupied

S = Seasonal

## LIABILITY COVERAGES

Liability Coverages	Important Information	Optional Limits	Homeowners	
			O	S
<b>Personal Liability</b>	<b><u>Includes when purchased</u></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. Excludes coverage resulting from swimming pool slides and diving boards.	\$25,000 \$50,000 \$300,000 \$500,000 \$1,000,000	<b>X</b>	<b>X</b>
<b>Medical Payments</b>	\$500 each person/\$25,000 each occurrence included when Personal or Premises Liability is present.	\$1,000 to \$10,000	<b>X</b>	<b>X</b>
<b>Mold and Remediation - Liability</b>	Personal or Additional Residences Rented to Other Liability coverage is a pre-requisite. Limit must be less than or equal to the selected personal liability limit.	\$25,000 \$50,000 \$100,000 \$300,000 \$500,000	<b>X</b>	<b>X</b>
<b>Additional Residences Rented to Others Liability</b>	Selected limits must equal Personal Liability and Medical Payments limits. <b><u>Includes when purchased</u></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. Excludes coverage resulting from swimming pool slides and diving boards.	\$25,000 \$50,000 \$100,000 \$300,000 \$500,000 \$1,000,000	<b>X</b>	<b>X</b>

## EXCLUSIONS

Coverages	Important Information	Homeowners	
		O	S
<b>Animal Liability Exclusion</b>	This exclusion is used to remove Animal Liability when necessary for risk acceptance. Please refer to the Risk Characteristics and Risks That Are Not Acceptable sections for more detail.	<b>X</b>	<b>X</b>
<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. Specific Building/Structure Exclusion cannot be used with Roof Exclusion.	<b>X</b>	<b>X</b>
<b>Roof Exclusion</b>	Refer to underwriting. Excludes roof coverage for risks that would otherwise be ineligible due to condition of roof or unrepaired roof damage. Roof must be repaired or replaced during first policy term. Roof Exclusion is mutually exclusive with Specific Building/Structure Exclusion. Inspection ordered when roof exclusion attached.	<b>X</b>	<b>X</b>

O= Owner-occupied      S = Seasonal



## SETTLEMENT OPTIONS

Dwelling and Other Structures	Important Information	Insurance Value	Included/Optional	Homeowners	
				O	S
<b>Replacement Cost</b>	The cost to repair or replace the property, subject to conditions set in the policy form, with actual cash value settlement option for roofs 21 years or older.	Home must be insured to 100% replacement cost less land value.	Included*	<b>X</b>	<b>X</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.	Home must be insured to 100% Market Value less land value.	Optional	<b>X</b>	<b>X</b>
<b>Full Repair Cost</b>	Full Repair includes the full cost of repair, subject to conditions set in the policy form, with actual cash value settlement option for roofs 21 years or older.	Home must be insured to 100% Market Value less land value.	Optional	<b>X</b>	<b>X</b>
<b>Modified Functional Replacement Cost</b>	Modified Functional will replace materials with common constructed materials, subject to conditions set in the policy form, with actual cash value settlement option for roofs 21 years or older. This loss settlement option is available for older dwellings that were built using materials and methods which may now be considered obsolete or antique. *Homes built in 1960 and prior are required to use the Modified Functional Replacement Cost as their settlement option, unless Actual Cash Value or Full Repair Cost settlement option is preferred.	Home must be insured to 100% replacement cost less land value.	Optional	<b>X</b>	<b>X</b>
<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 25% of the Dwelling (Coverage A) limit of liability shown on the declarations (excluding land value). For losses that do not exceed Coverage A, this option includes Replacement Cost with actual cash value settlement option for roofs 21 years or older.	Home must be insured to 100% replacement cost less land value.	Optional	<b>X</b>	<b>X</b>
Personal Property	Important Information		Included/Optional	Homeowners	
				O	S
<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.		Included	<b>X</b>	<b>X</b>
<b>Personal Property Replacement Cost</b>	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, Do Not Bind.		Optional	<b>X</b>	<b>X</b>

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DISCOUNTS			
Protective Devices	Important Information	Homeowners	
		O	S
<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.	<b>X</b>	<b>X</b>
<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.	<b>X</b>	<b>X</b>
<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.	<b>X</b>	<b>X</b>
<b>Deadbolts, Smoke Alarm &amp; Fire Extinguisher</b>	This discount is available when the dwelling has deadbolts, smoke alarms and a fire extinguisher.	<b>X</b>	<b>X</b>
<b>Water Sensor</b>	Sensors that detect the presence of water, which are strategically placed by supply lines and/or plumbing appliances, as well as sensors that detect the flow of water within pipes. There are various types of sensor monitoring and connectivity, which will qualify for differing discount amounts:  Local - These are analog sensors that are designed to physically notify people in the vicinity of the sensor when an event is detected.  Smart - These are connected sensors that will electronically notify when an event is detected.  Centrally Monitored - These sensors are connected to an independent and fully staffed agent from which trained operators are available to act in case of an event.	<b>X</b>	<b>X</b>
<b>Water Shutoff Devices</b>	Devices that are able to sense the presence of water or flow in pipes and shut off water access when an event is detected. There are various types of connectivity associated with water shutoff devices, which will qualify for differing discount amounts:  Local - These are non-connected devices that are designed to shut off the flow of water when an event is detected.  Smart - These are connected devices that will electronically notify when an event is detected.	<b>X</b>	<b>X</b>
<b>Firewise USA® Recognition Program</b>	This discount is available when the insured residence is located within a community that is recognized by the Firewise USA® Recognition Program.	<b>X</b>	<b>X</b>
<b>Parcel Level Discount (IBHS Wildfire Prepared Home™ or Cal Fire™ or Local Fire Chief Inspection)</b>	This discount is available when the insured residence: 1) is certified as an IBHS Wildfire Prepared Home™, or 2) has a certified AB38 Defensible Space Inspection, or 3) has a certified Defensible Space Inspection completed by a local fire chief	<b>X</b>	<b>X</b>

\* The Protective Devices discounts apply only to the perils to which they help mitigate losses. Copies of alarm system certificates are required for a discount.

Discounts	Important Information	Homeowners	
		O	S
<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.	<b>X</b>	<b>X</b>
<b>Claims Free</b>	This discount applies when an insured does not have any non-CAT claims with a dollar amount paid above \$500 within the past 3 years evaluated as of the effective date of the policy.	<b>X</b>	<b>X</b>
<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®	<b>X</b>	<b>X</b>
<b>Firewise USA® Recognition Program</b>	This discount is available when the insured residence is located within a community that is recognized by the Firewise USA® Recognition Program.	<b>X</b>	<b>X</b>
<b>Parcel Level Discount (IBHS Wildfire Prepared Home™ or Cal Fire™ or Local Fire Chief Inspection)</b>	This discount is available when the insured residence: 1) is certified as an IBHS Wildfire Prepared Home™, or 2) has a certified AB38 Defensible Space Inspection, or 3) has a certified Defensible Space Inspection completed by a local fire chief	<b>X</b>	<b>X</b>

O= Owner-occupied

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## PRIOR LOSS HISTORY

A CLUE report will be obtained for all new business risks. Inspections may be ordered for new business risks.

Internal inspections may be ordered for risks 1950 and older.

A CLUE report or inspection may be ordered at renewal at our discretion.

		Homeowners
LOSSES** IN THE PAST 3 YEARS		<b>Maximum 3 losses*</b> No more than 1 fire, liability, or theft/burglary loss. No more than 2 of any other single cause of loss excluding weather.
		*4 or more losses when insured owns 6 or more dwellings, <b>Refer to Underwriting.</b>
REFER, DO NOT BIND	<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 NOT 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>WATER LOSSES &gt; \$10,000</b>	If prior loss greater than \$10,000, Refer to Underwriting with explanation, Do Not Bind. For risks with 2 or more water losses, Water limit cannot exceed 10%.
	<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.

## 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. 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, Ostriches, Llamas, Alpacas, Emus, Horses, Farm or Ranch animals, or any type of wild exotic animals or pets.</li> </ul> </li> </ul>
<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 no foot traffic. Depending on the nature of the business, it may be 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</b> for approval: Incidental Businesses with any foot traffic. Dwellings with business employees are ineligible.</li> </ul>
<b>Farming on Premises</b>	<ul style="list-style-type: none"> <li>Not acceptable unless Hobby Farming applies.</li> </ul>
<b>Heating</b>	<ul style="list-style-type: none"> <li>Primary heat source must be thermostatically controlled, self-regulating, and permanently installed and NOT a supplemental heating device or homemade supplemental heating device, unless written as Seasonal.</li> </ul>
<b>Hobby Farming</b>	<ul style="list-style-type: none"> <li>Applicants with employees are not acceptable.</li> <li>Applicants must have Hobby Farm with gross receipts under \$5,000.</li> <li>Farm animals may be acceptable when purchasing Hobby Farming coverage. If less than 6 combined number of large farm animals, including, but not limited to horses, cows, or donkeys and no emus, ostriches, or llamas then <b>Refer to Underwriting</b> for approval.</li> <li>If Hobby Farm coverage is requested and the combined number of large farm animals, including, but not limited to horses, cows, or donkeys is greater than 5, OR there are any emus, ostriches or llamas, then Animal Liability Exclusion is required</li> </ul>
<b>Home-Sharing or 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 Home-Sharing or Occasional Rental coverage for acceptability.</li> <li>The home should not be intended to be a weekly rental on an ongoing basis or during a high peak rental season. If this home is intended for weekly rental during a high peak rental season, the risk should be written in the Dwelling program as a Rental with Short Term Rental Coverage.</li> </ul>

## RISK CHARACTERISTICS (continued)

<b>Roof</b>	<ul style="list-style-type: none"> <li>▶ Roofs must be 2 layers or less, in good condition with no missing, lifting or curling shingles, unless Roof Exclusion is attached and repairs or replacement is planned within the current policy term (see Roof Exclusion for details)</li> <li>▶ Roofs must be 20 years old or newer to be eligible for Replacement Cost, Extended Replacement Cost, and Modified Functional Replacement Cost settlement options. Exceptions to the roof age rule are tile, concrete tile, clay tile, copper, heavy gauge steel, fiber cement/concrete, slate, or concrete slate roofs.</li> <li>▶ Aluminum, tin, flat roofs, roll roofing, T-lock shingles, asbestos shingles, materials placed over wood shake shingles, EIFS panel shingles, Tamko Lamarite slate shingles are <b>NOT</b> acceptable.</li> <li>▶ Actual Cash Value Roof Loss Settlement may be applied based on the condition of the roof.</li> <li>▶ Flat roofs are not eligible if the home is greater than 60 years old. Flat roofs that are Aluminum, Heavy Gauge Steel, Tin, or Roll Roofing are not eligible.</li> </ul>
<b>Row Homes or Town Homes</b>	<ul style="list-style-type: none"> <li>▶ <b>Refer to Underwriting</b> for approval: Row home or town home attached to a commercial risk. Flat roofs are not eligible.</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>▶ <b>NOT</b> acceptable if hand rails, steps, or sidewalks are missing, broken, or improperly constructed.</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> <li>▶ Portable kerosene space heaters, homemade or kit supplemental heating devices or any heating device not installed to the local building code or to the manufacturer's specifications are <b>NOT</b> acceptable.</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>▶ Hot tub/spa must have a cover placed over the unit when not in use.</li> </ul>
<b>Uninsured Properties</b>	<ul style="list-style-type: none"> <li>▶ If the risk has been uninsured for 31-90 days <b>Refer to Underwriting</b> with explanation.</li> <li>▶ If the risk has been uninsured for more than 90 days then <b>DO NOT BIND/DO NOT REFER</b>. Special exceptions may be made for extenuating circumstances. Please contact your underwriter for consideration with full details.</li> </ul>
<b>Wiring</b>	<ul style="list-style-type: none"> <li>▶ Knob &amp; tube wiring is <b>NOT</b> acceptable.</li> <li>▶ <b>Must</b> have circuit breakers. Fuse boxes (full or partial) are <b>NOT</b> acceptable.</li> <li>▶ Stab-Lok circuit breakers are <b>NOT</b> acceptable.</li> <li>▶ Electrical service less than 100 AMP (applies to each unit in a multi-family dwelling) are <b>NOT</b> acceptable.</li> <li>▶ Aluminum electrical wiring built prior to 2004 are <b>NOT</b> acceptable.</li> </ul>
<b>Wildfire Risk</b>	<ul style="list-style-type: none"> <li>▶ Defensible Space General Guidelines. <ul style="list-style-type: none"> <li>• Homes in the Wildland Urban Interface (WUI) must be compliant with California PRC 4291, CalFire Ready and Institute for Business and Home Safety (IBHS) best practices.</li> <li>• 5', 30' and 100' zones of defensible space from insured buildings.</li> <li>• Homes located on slopes or on canyon rims may require additional clearance.</li> <li>• Roof must be in good condition, free of debris and well maintained.</li> </ul> </li> <li>▶ Geographical Catastrophe / Accumulation Management <ul style="list-style-type: none"> <li>• To effectively manage Company solvency ratios and catastrophe accumulation of exposure, the Company may establish geographic-based restrictions on new business binding authority and/or requests to increase coverage on existing policies, in accordance with industry-specific, commonly used objective exposure measure thresholds.</li> </ul> </li> </ul>

## REFER FOR UNDERWRITING APPROVAL - DO NOT BIND

- ▶ Additional insureds when:
  - More than three
  - More than one additional Insured is added as the Primary Named
  - Relationship to primary named insured is "other"
- ▶ Applicants non-renewed or canceled by the prior carrier due to excess losses, large losses, or physical hazards must provide additional explanation for non-renewal or cancellation and **Refer to Underwriting** for approval.
- ▶ Backdating policy changes and rewrite transactions when there is an open claim on the policy
- ▶ More than one property manager per unit
- ▶ More than two mortgagees
- ▶ Primary heat source--- other
- ▶ Purchase price of \$0 or \$1.00
- ▶ Total living area less than 100 sq ft or greater than 9950 sq ft
- ▶ Roof Exclusion is selected (see roof exclusion for details)

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

<b>Applicant with these Characteristics:</b>	<ul style="list-style-type: none"> <li>▶ Four or more losses of any kind in the last three years (For additional guidelines see "Prior Loss History").</li> <li>▶ If Primary or Additional Insured is a minor.</li> <li>▶ Mortgage payments 60 days or more past due or currently in foreclosure.</li> <li>▶ Past conviction for arson, fraud, or other insurance-related offenses.</li> </ul>
<b>Liability Concerns:</b>	<ul style="list-style-type: none"> <li>▶ Animals on the premises that have a previous bite history or vicious propensities, or wild or exotic animals or farm animals (unless Hobby Farm) when Personal Liability is purchased unless the Animal Liability Exclusion is selected.</li> <li>▶ If Hobby Farm coverage is requested and the combined number of horses and cows/ donkeys is greater than 5, OR there are any emus, ostriches, or llamas, then Animal Liability Exclusion is required.</li> <li>▶ Akitas, Dobermans, Chows, Rottweilers, Pit Bulls, wolves or wolf hybrids or any mix of these breeds on the premises unless the Animal Liability Exclusion is selected.</li> <li>▶ Business employees who work on the premises.</li> <li>▶ 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.</li> <li>▶ Farming on the premises.</li> <li>▶ 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. Hot tub/ spa that is not covered when it is not being used. If a swimming pool is on the premises, the liability limit cannot exceed \$500,000.</li> <li>▶ Primary named insured is a company other than a trust.</li> <li>▶ Underground fuel storage tank.</li> <li>▶ Risks with current sinkhole activity.</li> </ul>
<b>Construction/Condition/Use:</b>	<ul style="list-style-type: none"> <li>▶ Risk shares a common wall with a commercial risk.</li> <li>▶ Condemned or abandoned.</li> <li>▶ Daycare on the premises.</li> <li>▶ Earth homes, dome homes, floating homes or any other non-conventional design.</li> <li>▶ Fraternity, sorority, student housing, group home, halfway home, or other similar occupancy.</li> <li>▶ Hand hewn log homes unless written in Dwelling Basic, year built is 1999 or later and ACV/ Market Value Loss Settlement applies.</li> <li>▶ Homes that are not fully enclosed, under construction or undergoing a major renovation (Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering).</li> </ul>

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

- ▶ If the dwelling has the following characteristics:
  - Any unrepaired damage
  - Any water leaks or unrepaired water damage
  - Any windows that are broken or boarded-up, or any other unrepaired damage
  - Aluminum or Tin type roof
  - Asbestos siding or roof materials
  - Polybutylene plumbing
- ▶ Manufactured homes, condominiums, stationary travel trailers, 3 or 4 Family Dwelling.
- ▶ Open foundations or supported by raised poles or pilings that are over 6 feet tall.
- ▶ Other structures in poor physical condition and not properly maintained (unless the Specific Other Structure Exclusion is attached).
- ▶ Rented out for any length of time unless the Home-Sharing or Occasional Rental Coverage is purchased.
- ▶ Roofs over 20 years of age unless tile, concrete tile, clay tile, copper, heavy gauge steel, fiber cement/concrete, slate, or concrete slate roofs when Replacement Cost, Extended Replacement Cost, or Modified Functional Replacement Cost Loss Settlement option is selected.
- ▶ 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, unless Roof Exclusion is attached and Roof is planned to be repaired in the current policy term. (see Roof Exclusion for details).
- ▶ T-lock shingles, asbestos shingles, materials placed over wood shake shingles, EIFS panel or Tamko Lamarite slate shingles.

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### Utilities

- ▶ Active Knob and Tube wiring.
- ▶ Fuse Boxes- partial or full.
- ▶ Stab-Lok circuit breakers
- ▶ Electrical service less than 100 AMP (applies to each unit in a multi-family dwelling)
- ▶ Aluminum electrical wiring built prior to 2004

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### Location and Other:

- ▶ If the dwelling cannot be reached by a road, unless seasonal occupancy.
- ▶ Located in an area that is prone to or has had a prior occurrence of landslide.
- ▶ Uninsured more than 90 days.
- ▶ Locations for new business quotes which return a Wildfire HD Risk Score of 1 or higher. Scores greater than or equal to 23 will not be eligible for renewal.

**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**
  - a. All applications should be entered completely into AMsuite. Rules in AMsuite will determine if coverage can be bound.
  - b. 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.
  - c. 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.
  - d. 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. An 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. A renewal inspection may be ordered to confirm the condition of the risk.
6. **Insurance to Value**  
**See Dwelling Settlement Options.**
7. **Insurance Score**  
Will be used to determine financial responsibility.
8. **Minimum Written**  
There is a \$100 **minimum written** premium for all programs.
9. **Transfer or Assignment**  
Policies may **not** be transferred or assigned.
10. **Whole Dollar Premium**  
The premium shall be rounded separately for each coverage to the nearest **whole dollar**.
11. **Mailing Address**  
Any mailing address must be located within the United States of America. Canadian Customers - A policy may be written on an eligible dwelling 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 Suspension 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.

Temporary Suspension of Writing applies to any risk that is located within any zone or area that is subject to one or more of the following criteria:

### Impending Severe Weather

- ▶ Tornado watches and/or warnings; or
- ▶ Flood watches and/or warnings; or
- ▶ Tropical storm or Hurricane watches and/or warnings; or
- ▶ Any other Warning, Watch, or Emergency Alert published by the National Weather Service.

### Earthquake

- ▶ The entirety of any County of which any part is within 100 miles of the epicenter of any earthquake or aftershock of 5.0 Richter (or greater). Restrictions begin with the occurrence of such an earthquake or aftershock, and continue for a period of 72 hours.

## TEMPORARY SUSPENSION OF WRITINGS Continued

### Wildfire

- ▶ A wildfire alert is in effect; or
- ▶ Any area that has been designated as a pre-evacuation or mandatory evacuation zone; or
- ▶ An active fire line is within close proximity of any proposed risk.

In addition, Binding Restrictions may be implemented for any potentially catastrophic event based on criteria defined by American Modern. These restrictions are posted in AMsuite and also on the [amig.com/bindingrestrictions](http://amig.com/bindingrestrictions) webpage. However even if a binding restriction is not listed in AMsuite or on [amig.com](http://amig.com), but meets any of the above criteria, the temporary suspension of writings should be followed. Producers are encouraged to monitor information resources such as the news when there are impending severe weather or catastrophic events in the area.

## 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 declaration page from another carrier showing coverage inforce 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 six (6)** cumulative months. (Dwellings may not be rented to others for any length of time unless Home-Sharing or 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 **six (6)** cumulative months. (Dwellings may not be rented to others for any length of time unless the Home-Sharing or Occasional Rental Coverage applies.)
3. **Other Structures**  
Structures on the dwelling premises which are **not attached** 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. 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.**
5. **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.
6. **Home-Sharing or 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 on an ongoing basis or during a high peak rental season. If this home is intended for weekly rental during a high peak rental season, the risk should be written in the Dwelling program as a Rental with Short Term Rental Coverage.



## 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. Semi-Annual Plan - 50% down with 1 remaining installment. EFT available for this plan.
3. Quarterly Pay Plan - 25% down with 3 remaining installments. EFT available for this plan.
4. Bi-Monthly Plan - 20% down with 5 remaining installments. EFT available for this plan.
5. EZPay 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

**Payments delivered via USPS:**

American Modern Insurance Group

PO Box 740167

Cincinnati OH 45274-0167

**Payments delivered via UPS or FedEx (overnight):**

Fifth Third Bank

5050 Kingsley Drive

Cincinnati, Ohio 45227

Attn: 1MOC1N – Rlbx 740167

## AMsuite support

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

**Hours:** Monday to Friday, 8 a.m. to 5 p.m. Eastern

Evenings, weekends, and holidays, calls will be answered by voice mail and returned within one hour.

Monday – Friday 5 p.m. to 9 p.m.

Weekends and holidays 8 a.m. to 9 p.m.

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

**Hours:** Monday to Friday, 8 a.m. to 5 p.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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**Email:** [plclaims1@amig.com](mailto:plclaims1@amig.com)

**Call:** 1-800-375-2075

**Fax:** 1-513-947-4040

Attn: Claims Customer Service

**Mail Address:**

American Modern Insurance Group, Inc.

Attn: Claims Processing

PO Box 5323

Cincinnati, OH 45201-5323

- opening a personal lines claim
- check personal lines claim status

## Ordering sales or marketing materials

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



H3-CA-PM-0001 (12/22)

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 and discounts vary, are determined by many factors, and are subject to change. Policies are written by one of the licensed insurers of American Modern Insurance Group, Inc., including but not limited to American Modern Property and Casualty Insurance Company (CA Lic. No. 6129-1.)

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