

# California



## Condominium Program

Program Manual: HO6-CA-PM-0001 (11/18)

New Business Date: 11-15-2018

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

### Condominium

- Owner
- Rental
- Seasonal



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# CONDOMINIUM

- ▶ The American Modern Property and Casualty Company (American Modern) **Condominium** program is designed to target the **owner, rental** and **seasonal** condominium market. The policy will be issued to the owner(s) of a condominium unit which is used exclusively for residential purposes.
- ▶ Condominiums should be in average or better condition and should show pride of ownership. A risk in average or better condition will have heating, wiring and plumbing systems in good working order. The condominium must have approved fire walls, dead bolt locks and security lighting.

ELIGIBILITY AND COVERAGES	
Coverages	Seasonal / Owner / Rental
Policy Form	H6-CW-P-0001
Policy Term	12 months, Effective 12:01 a.m. Standard Time
Deductible	\$500 All Peril Deductible
Loss Settlement	Condo Unit: Replacement Cost Personal Property: Actual Cash Value
Minimum Dwelling Limit	\$1,000
Maximum Dwelling Limit	\$500,000
Maximum Dwelling Age	No age limit
Occupancy	Seasonal, Owner and Rental Short Term and Occasional Rentals
Multi-Family	One Family Unit Only
Location of Home	Protection Class 1 - 10
PERILS INSURED AGAINST	
Coverages	Seasonal / Owner / Rental
Condo Unit	Named Peril
Personal Property	Named Peril
ADDITIONAL COVERAGES AUTOMATICALLY INCLUDED	
Coverages	Seasonal / Owner / Rental
Loss of Use	40% of Coverage A Limit (Max. \$100,000)
Loss Assessment	\$1,000
Premises Liability	\$100,000
Property Manager - Premises Liability	Included
Medical Payments	\$1,000 per person/ \$25,000 per occurrence
Ordinance or Law	10% of Dwelling Limit (Increased Coverage Available)
Fire Department Service Charge	\$500
Credit Card, Fund Transfer Card, Forgery And Counterfeit Money	\$500

# POLICY FORM COMPARISON

Policy Form	Condominium	ISO-HO-6
<b>A. DWELLING COVERAGE</b>	<b>Named Peril</b>	<b>Named Peril</b>
Fire, Lightning and Internal Explosion	Yes	Yes
Smoke	Yes	Yes
Explosion	Yes	Yes
Windstorm/Hail	Yes	Yes
Riot/Civil Commotion	Yes	Yes
Aircraft	Yes	Yes
Vehicles	Yes	Yes
Volcanic Eruption	Yes	Yes
Vandalism or Malicious Mischief	Yes	Yes
Theft	Yes (Except Rental)	Yes
Burglary	Yes	Yes
Collapse	Yes	Yes
Freezing	Yes	Yes
Water from plumbing, heating, or A/C system.	Yes	Yes
Power Interruption	No, unless caused by Perils Insured Against	No, unless caused by Perils Insured Against
Law, Earth Movement, Nuclear Hazard and Intentional Loss	No	No
Ordinance or Law Coverage	Yes	No
<b>B. PERSONAL PROPERTY</b>	<b>Named Peril</b>	<b>Named Peril</b>
On Premises	100% of Cov C	100% of Cov C
Off Premises	10% of Cov C or \$1000 (whichever is greater)	10% of Cov C or \$1000 (whichever is greater)
<b>C. OTHER COVERAGES</b>		
Debris Removal	Reasonable	Reasonable
Property Removed	Covered for up to 30 days	Covered for up to 30 days
Fire Dept. Service Charge	\$500	\$500
Plants, Trees, Shrubs, & Lawns	Up to 10% of Coverage C limit, but no more than \$500 for any one plant, tree, or shrub.	Up to 10% of Coverage C limit, but no more than \$500 for any one plant, tree, or shrub.
<b>D. LOSS SETTLEMENT</b>		
Dwelling	Replacement Cost	Replacement Cost
Personal Property	ACV	ACV

## OPTIONAL COVERAGES

Coverages	Important Information	Included Limits	Optional Limits	Condominium		
				O	S	R
<b>Earthquake</b>	Provides coverage for direct physical loss to property covered under Coverages A 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 and C limits minus Earthquake Deductible amount. Coverage C will not be less than \$5,000	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
<b>Identity Recovery</b>	Covers identity recovery extra expense insurance and case management services.		\$15,000	X	X	
<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.	40% of Coverage A limit	Max \$100,000	X	X	X
<b>Loss Assessment</b>	Provides coverage for claims involving the condominium building or its common areas.	\$1,000	\$5,000 \$10,000 \$15,000 \$20,000 \$25,000 \$50,000	X	X	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	\$1000 \$2500 \$5000	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	Limits up to 100% of Coverage A limit	X	X	X
<b>Personal Property</b>	Limits available up to \$500,000		Up to \$500,000	X	X	X
<b>Theft While Being Rented</b>	Not Available if prior theft claim within the last 3 years. Owner or Seasonal must be occasionally rented		\$1,000 \$2,000 \$3,000 \$4,000 \$5,000	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	X
<b>Water Damage</b>	100% of Coverage A and Coverage C limits are included, with optional buy-down available. Mold and Remediation Excluded <b>Perils Insured Against:</b> ▶ Accidental Discharge or Overflow of Water or Steam ▶ Freezing ▶ Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging	100% of Coverage A and Coverage C limits	25% 50% 75%	X	X	X

## LIABILITY COVERAGES

Liability Coverages	Important Information	Optional Limits	Condominium		
			O	S	R
<b>Landlord Personal Injury</b>	Premises Liability is pre-req for Landlord Personal Injury coverage. Limit matches Premises Liability limit chosen.	N/A			X
<b>Medical Payments</b>	\$1,000 each person/\$25,000 each occurrence included when Personal or Premises Liability is present.	\$2,000 to \$10,000	X	X	X
<b>Personal Liability</b>	<b><u>Includes when purchased</u></b> Limit of \$100,000 Medical Payments - \$1,000 Each Person / \$25,000 Each Occurrence.	\$200,000 \$300,000 \$500,000 \$1,000,000	X		
<b>Premises Liability</b>	<b><u>Includes when purchased</u></b> Limit of \$100,000 Medical Payments - \$1,000 Each Person / \$25,000 Each Occurrence. Property Manager Premises Liability Coverage is automatically included when Premises Liability Coverage is purchased.	\$200,000 \$300,000 \$500,000 \$1,000,000		X	X

## SETTLEMENT OPTIONS

Dwelling and Other Structures	Important Information	Insurance Value	Included/Optional	Condominium		
				O	S	R
<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	X	X	X
<b>Personal Property</b>	Important Information		Included/Optional	Condominium		
<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	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.		Optional	X	X	X

# DISCOUNTS

Protective Devices	Important Information	Condominium		
		O	S	R
<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
<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
<b>Deadbolts, Smoke Alarm &amp; Fire Extinguisher</b>	This discount applies when the dwelling has deadbolts, smoke alarms and a fire extinguisher.	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
<b>Limited Access Community</b>	Dwelling is located in a building or gated community/neighborhood, where access is restricted and controlled for residents 24 hours a day. Access can be restricted by one or a combination of any of the following: operational gate(s), uniformed guard(s), keycard access, coded locking mechanism, or similar access restriction device.	X	X	X

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

Discounts	Important Information	Condominium		
		O	S	R
<b>Auto-Home</b>	This discount available for insureds who have an auto policy that is directly written by an American Modern agency partner.	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
<b>Paperless</b>	This discount is available when electronic delivery of policy documents is selected.	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
<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

## 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.**

Condominium		
<b>LOSSES** IN THE PAST 3 YEARS</b>	Refer to underwriting if more than 1 non-weather loss and 2 weather losses Provide explanation including any risk mitigation or preventative measures taken.	
<b>REFER TO UNDERWRITING</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 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>WATER LOSSES &gt; \$5,000</b>	Provide preventative measures taken. Mold inspection from applicant may be required.
	<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 Medical Payments only or a Property Claims Services (PCS-A Verisk company) designated catastrophe events.

## RISK CHARACTERISTICS

<b>Converted Commercial Risk</b>	▶ Attached to, occupied as, or converted from a commercial risk. <b>Not eligible.</b>
<b>Business on Premises</b>	▶ 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 at the underwriter's discretion.</li> <li>● Ineligible businesses include, but are not limited to: home day care, beauty salons, 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> ▶ <b>Refer to Underwriting for approval:</b> Incidental businesses with any foot traffic. Dwellings with business employees are ineligible.
<b>In Name of Corporation</b>	▶ Premises liability coverage is available for Rental and Seasonal.
<b>Non-Renewed or Canceled</b>	▶ 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 <b>Refer to Underwriting for approval.</b>
<b>Occasional Rental</b>	▶ Owner and Seasonally occupied homes rented out for any length of time must purchase the Occasional Rental coverage for acceptability. ▶ 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, the risk should be written as a Rental with Short Term Rental Coverage.
<b>Short Term Rental</b>	<b>The following applies to rental:</b> <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> </ul>
<b>Supplemental Heating</b>	▶ 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.
<b>Uninsured Properties</b>	▶ If the risk has been uninsured for more than 30 days. <b>Refer to Underwriting for approval.</b>



## REFER FOR UNDERWRITING APPROVAL - DO NOT BIND

- ▶ Backdating policy changes and rewrite transactions when there is an open claim on the policy.
- ▶ Reinstatement requests more than 15 days after the cancellation effective date.
- ▶ Total living area less than 100 sq ft or greater than 9950 sq ft.
- ▶ More than one property manager per unit.
- ▶ Additional insureds when:
  - More than three
  - More than one additional Insured is added as the Primary Named
  - Relationship to primary named insured is "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

<b>Applicant with these Characteristics:</b>	<ul style="list-style-type: none"><li>▶ Past conviction for arson, fraud, or other insurance-related offenses.</li><li>▶ If an Additional Insured is a minor.</li></ul>
<b>Liability Concerns:</b>	<ul style="list-style-type: none"><li>▶ Business employees who work on the premises when Liability is requested.</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></ul>
<b>Construction/Condition/Use:</b>	<ul style="list-style-type: none"><li>▶ Hand hewn log condominiums</li><li>▶ Attached to a commercial risk (except for row home or town homes).</li><li>▶ Row Homes whose roof and electric haven't been updated in the past 20 years, if home is 61 years or older.</li><li>▶ Condemned</li><li>▶ If the dwelling has the following characteristics:<ul style="list-style-type: none"><li>● Any water leaks or unrepaired water damage.</li><li>● Any windows that are broken or boarded-up, or any other unrepaired damage.</li><li>● Under construction or undergoing a major renovation. Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering.</li></ul></li><li>▶ Fraternity, sorority, student housing, group home, halfway home, or other similar occupancy.</li><li>▶ Daycare on the premises.</li></ul>
<b>Utilities:</b>	<ul style="list-style-type: none"><li>▶ Without utilities such as natural gas, electric, or water unless seasonal.</li></ul>
<b>Location and Other:</b>	<ul style="list-style-type: none"><li>▶ Dwellings located on an island or within 1,000 feet of a seacoast, bay or sound.</li><li>▶ Location which returns a Wildfire Risk Score of 81 or higher.</li><li>▶ Located in an area that is prone to or has had a prior occurrence of landslide, forest fires, or brush fire.</li></ul>

**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. **Insurance to Value**

Home must be insured to 100% replacement cost less land value.
6. **Minimum Written and Earned Premium**

There is a \$100 **minimum written** and **earned** premium for all programs.
7. **Transfer or Assignment**

Policies may **not** be transferred or assigned.
8. **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.
9. **Mailing Address**

Any mailing address must be located within the United States of America. Canadian Customers - A policy may be written on an eligible vessel 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. Condominium**

A condominium is a home in a shared building or development. The buyer gets the title of the space inside the unit, shares the common areas with other unit owners and pays a maintenance fee to the condominium association to pay for needed maintenance, repairs and improvements to the property. The condominium may be part of a high rise, but the unit itself cannot span more than three (3) stories.
- 2. Owner Condominium**

A condominium dwelling that is used as the insured's primary residence for a period of 5 consecutive months or more annually.
- 3. Seasonal**

Condo Units 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.
- 4. Rental**

Condo Units owned by the insured that are rented to others for residential purposes.
- 5. Supplemental Heating**

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. 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.



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