

American Reliable Insurance Company

i·Reli[®]

***California Homeowners HO-3
Program Manual***

Effective:

09/01/2018 New

09/01/2018 Renewal

Quoting Procedure

All quoting and issuance of policies for these programs is available through i-Reli. If you do not have access to i-Reli please call General Agent for assistance.

i-Reli also provides the following benefits to users:

- 24/7 policy accessibility
- Quotes are saved for 90 days
- Quotes can be converted to applications with one click
- Access to policy history and claim history
- Real time billing information
- Ability to quote endorsements
- Bind coverage and post payments on-line
- Application Summary provides PDF of completed applications for agent or insured records

Regularly monitor your message queue when submitting pending applications, endorsements and cancellations as further information may be requested by your underwriter in order to ensure timely processing for policyholders. In addition, the advance inclusion of any information pertinent to the transaction should be entered in the Notepad to facilitate the approval of submitted transactions.

Third Party Reports

Third Party reports are run on all policies.

Some of these reports may include CLUE (loss report), Address Validation, Fireline (brush fire zones), Protection Class Validation and Replacement Cost Estimators.

Inspections will be run on all New Business risks.

Renewals will be inspected per underwriter judgement, or if fireline score is between 6-7.

Binding Restrictions

1. No coverage may be increased within 72 hours of the announcement of an impending disaster, i.e. hurricane, tropical storm, volcanic eruption, earthquake, flood, mudslide, brushfire, etc.
2. Earthquake: If an earthquake occurs generating a reading of 5.0 or greater on the Richter Scale, new business policies and increased coverage requests on inforce business policies will be restricted on the day of the earthquake and for a 3 day period following the earthquake. Any aftershock readings of 5.0 or greater will be considered a new earthquake. The restrictions will apply for risks located within 150 miles of the earthquake's epicenter.
3. Wildfire: No new policies, binders or increases in coverage will be accepted when a wildfire is within 25 miles of the home.

Occupancy Definitions

- Primary:** A home that is a primary residence occupied by one family. The home is considered the applicant's legal residence for purposes of filing income tax.
- Secondary:** A home that is not the primary residence of the applicant, but one that is used on an intermittent basis by the applicant or the applicants immediate family members.

Follow Up Items

The following items will require the agent/broker to submit items to the General Agent upon binding of an application.

- Photos:** All supplemental heating devices that are not professionally installed.
- Dec Page:** If the applicant qualifies for the Claim Free Transfer Discount, the prior term Declarations Page must be submitted for proof of continuous coverage.
- Receipts:** Current receipts or appraisals are required on all Scheduled Personal Property items. The receipts/appraisal must be dated within the last 12 months.

Eligibility Agreements

The Applicant Must Agree to the Following Statements to Be Eligible for Coverage:

- ✓ The applicant has not been convicted of arson or insurance fraud.
- ✓ The home has permanently installed water, electricity and sewage utility services.
- ✓ The home does not have polybutylene pipes or galvanized pipes.
- ✓ Explosive or flammable materials are not stored on the premises.
- ✓ There is no childcare, homecare, lodging, auto repair and/or chemical processing conducted on the premises.
- ✓ The applicant (or tenant if tenant occupied) does not own, keep or shelter any animal with a previous bite history or any non-domestic animals.
- ✓ The home does not have External Insulation Finish System (EIFS) siding.
- ✓ The home is not located next to any burned out or abandoned building(s).
- ✓ The home is not located in a designated brush fire area and zip codes immediately surrounding these areas.
- ✓ The home does not have kerosene heaters or heat reclaiming devices.
- ✓ The home's primary source of heat is not a permanently installed space heater or wood/coal/pellet burning device.
- ✓ If there is a swimming pool or spa on the premises, it is in compliance with all city and/or county ordinances.
- ✓ The home has permanently installed steps at all entrances, including decks and patios.
- ✓ The home has railings on every set of steps or porches over 2 feet in height.
- ✓ All bars on home windows have a quick release feature.
- ✓ The applicant (or tenant, if tenant occupied) does not own, keep or shelter any exotic (snakes, monkeys, etc.) animals
- ✓ The home does not have painted or stained surfaces that exhibit peeling, weathering or damage.
- ✓ The windows and doors on the home are not damaged or missing.
- ✓ If there is a swimming pool or spa on the premises, it has a fence more than four feet high entirely surrounding the structure, a self-latching gate, a motorized pool cover or any other comparable safety device securely fastened to the perimeter of the pool/spa thus rendering it inaccessible.
- ✓ All porches, decking, patios, yard, walkways, driveways, etc. are free from debris (the remains of anything broken or destroyed) and are not damaged.
- ✓ The applicant has not had foreclosure proceedings initiated against an owned property anytime within the last 36 months.
- ✓ The home has deadbolts on all doors that provide access to the home and/or garage.
- ✓ If there is a swimming pool or spa on the premises, it does not have a slide.
- ✓ The home is located on a permanent or solid foundation.
- ✓ The home is not made of unusual or irreplaceable construction.
- ✓ The home is not located in a neighborhood that does not show pride of ownership or condemned buildings.
- ✓ The home does not have trees that overhang the roof of the residence premises.
- ✓ The home has at least one functioning smoke detector in each separate bedroom plus at least one functioning smoke detector in a common living area.
- ✓ The applicant is not a well-known personality (i.e.: political, entertainer, sports, etc.).
- ✓ The home is not a mobile home, earth home, dome home, log home, straw built home or condominium.
- ✓ The applicant does not have more than two (2) non-pay cancellations with American Reliable within the past 36 months.
- ✓ The home is not located within 500 feet of brush or forested areas.
- ✓ The home does not have fuses or knob and tube wiring providing power in any portion of the home.
- ✓ The home is not vacant, unoccupied, or solely tenant occupied.
- ✓ The home is not under construction or major renovation.
- ✓ The home is not occupied by more than 2 families.
- ✓ The property does not have any abandoned and/or non-operational vehicles.
- ✓ The home is not located within 100 feet of a slope of 30 degrees or greater.
- ✓ The home does not have any unrepaired damage (including earthquake), open or pending claims, or with any known potential defects, claims disputes, property disputes or lawsuits.
- ✓ The property does not have any discarded appliances that are not in use.
- ✓ The home is not located in any area of increased flood, wave wash, sink hole, landslide, mudslide or similar peril.
- ✓ Homes that do not have a fully functional fire extinguisher located on the premises.
- ✓ Townhomes/Rowhomes built prior to 1970.

Eligibility and Underwriting Guidelines

	HO-3 Program
Occupancies	Primary and Secondary
Coverage A Min./Max. Limit	\$75,000 Minimum \$749,999 Maximum
Minimum Premium	\$100 Written, \$50 Earned
Home Year	1850 and Newer
Coverage A Loss Settlement Options	Replacement Cost is Included unless Modified Functional Replacement Cost or ACV is selected

Submit Guidelines

- ✓ Applicants that have had 1 or more property losses in the past 36 months.
- ✓ Policies with Coverage B limit over 30% of Coverage A value.
- ✓ Policies with Coverage C limit over 70% of Coverage A value.
- ✓ If the applicant has been uninsured for more than 30 days immediately prior to the requested effective date. (not applicable to new purchases)
- ✓ Applicants that have had a homeowners/dwelling policy cancelled or non-renewed for underwriting reasons (except age of home) during the past 3 years.
- ✓ Homes with business activities conducted on the premises.
- ✓ Homes with farming activities conducted on the premises.
- ✓ Homes equipped with a supplemental heating device that was not installed by a licensed contractor.
- ✓ Homes within 1,500 feet of water (river, lake, creek or ocean) or homes on an island or in a Special Flood Hazard Area.
- ✓ Homes with multiple horses, livestock or farm animals on the premises.
- ✓ Any premises with 5 or more acres.
- ✓ Homes attached to, occupied as, or converted from or within 300 feet of a commercial risk.
- ✓ Homes with an individual or private party listed as a lender.
- ✓ Homes not insured to within 10% above or 10% below the replacement cost.
- ✓ Homes built on posts, stilts or pilings.
- ✓ Homes located in protection class 9 and 10.
- ✓ Homes with more than two mortgagees or lenders.

Advantages of the American Reliable Homeowners Program

Liability Limits:	Personal Liability limits can be increased up to \$500,000.
Earned Premium:	\$50 Minimum earned premium.
Loss Settlement:	Replacement Cost is included or applicants may choose either a Modified Functional Replacement Cost or Actual Cash Value loss settlement for their home.
Enhancement Coverage:	Included in the HO-3 program and provides coverage for Property at Other Residences, Food Spoilage and Lock Replacement while also increasing the coverage limits for Fire Department Service Charge and Credit Card, Forgery and Counterfeit Money.
ISO Forms:	We are using the 05 11 version of the ISO HO-3 Special Form.
Payment Options:	Convenient insured portal at www.MyARICPolicy.com allows policyholders to manage payments and view/print invoices and policy documents.

Coverages Featured in the Policy Form

	HO-3
Other Structures: 10% Coverage A +Option to Increase Limits	•
Personal Property: 50% Coverage A +Option to Increase Limits	•
Liability/Medical Payments: \$100,000/\$1,000 +Option to Purchase Increased Limits	•
Loss of Use: 10% of Coverage A +Option to Increase Limits	•
Debris Removal: Reasonable Cost \$1,000 max./\$500 removal per tree	•
Reasonable Repairs: To protect property from further damage	•
Property Removed	•
Damage to Property of Others: \$1,000 Limit	•
Trees, Shrubs, and Other Plants: 5% Coverage A Max./\$500 per plant	•
Fire Department Service Charge: \$750 Limit	•
Glass or Safety Glazing Material	•
Loss Assessment: \$1,000 Limit	•
Collapse	•
Ordinance or Law: 10% of Coverage A	•
Grave Markers: \$5,000 Limit	•
Food Spoilage: \$500 Limit	•
Lock Replacement: \$250 Limit	•
Limit for Property at Other Locations: 10% of Limit of Liability for Coverage C or \$1,000, whichever is greater	•
First Aid Expenses	•
Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money: \$3,000 Limit	•
Claim Expenses: Expenses and up to \$250 Loss of earnings per day	•
Inflation Guard: 4% +Only if Loss Settlement is Replacement Cost or Modified Functional Replacement Cost	•

Optional Coverages

Coverage	Rate	HO-3
Personal Injury Protection	Flat rate	\$13
Equipment Breakdown Enhancement	Flat rate	\$23
Service Line enhancement	Flat rate	\$15
Identity Fraud Expense	\$25,000 Limit- Flat Rate	\$25
Limited Earthquake Coverage	Minimum Premium of \$75. Per \$1,000 of Coverage A	Rates Vary by Earthquake Zone
Inland Flood Coverage	\$5,000 - \$50,000 Limit available	Rates vary by limit and SLOSH score
Limited Earthquake Coverage - Personal Property	\$5,000 Limit	Included if Limited Earthquake Purchased
	\$10,000 Limit - Flat Rate	\$15
	\$15,000 Limit - Flat Rate	\$21
Limited Earthquake Coverage - Reconstruction Cost	Rate per \$100 of coverage	\$0.15
Scheduled Personal Property + Primary risks only	Rate per \$100 of coverage	\$1.00
Ordinance or Law Coverage	25% of Coverage A	10% of Base Premium
Personal Liability	\$100,000 Limit Per Insured Premises	Included
	\$200,000 Limit Per Insured Premises	\$15
	\$300,000 Limit Per Insured Premises	\$25
	\$500,000 Limit Per Insured Premises	\$40
Medical Payments to Others	\$1,000 Limit Per Insured Premises	Included
	\$2,000 Limit Per Insured Premises	\$3
	\$3,000 Limit Per Insured Premises	\$5
	\$4,000 Limit Per Insured Premises	\$7
	\$5,000 Limit Per Insured Premises	\$9
Additional Premises Liability + Primary risks only	\$100,000 Limit Per Insured Premises	\$8
	\$200,000 Limit Per Insured Premises	\$9
	\$300,000 Limit Per Insured Premises	\$10
	\$500,000 Limit Per Insured Premises	\$12
Loss Assessment Coverage	\$5,000 Limit	\$3
	\$10,000 Limit	\$5
	Each additional \$5,000 (Max \$100,000)	\$1
Extended Replacement Cost Coverage + only applicable to replacement cost policies	25% Extension of Coverage A - Flat Rate	\$25
Water Back Up and Sump Overflow Coverage	\$5,000 Limit- Flat Rate	\$50
Increased Business Property Coverage	\$5,000 Limit- Flat Rate	\$25
Business Pursuits Coverage + Primary risks only	\$100,000 Limit of Liability - Property	\$10
	\$200,000 Limit of Liability - Property	\$11
	\$300,000 Limit of Liability - Property	\$13
	\$500,000 Limit of Liability - Property	\$18

Deductible Options

	HO-3
\$500 All Perils	+5%
\$1,000 All Perils	Included
\$1,500 All Perils	-11%
\$2,500 All Perils	-16%
\$5,000 All Perils	-27%

Billing

Payment Plans Available

If the policyholder desires to pay their premium on an installment basis, we will allow a 2-payment, 4-payment, 8-payment, or monthly recurring payment (monthly EFT) option to be selected. Each installment (not applicable to the down payment) will include a \$6 service charge. Each monthly recurring payment installment (not applicable to the down payment) will include a \$3 service charge.

- 2-Payment Plan: 50% down payment is required, plus the policy fee with the remaining balance due on Day 160.
- 4-Payment Plan: 25% down payment is required, plus the policy fee with the other payments due on Day 70, Day 140 and Day 210.
- 8-Payment Plan: 20% down payment is required, plus the policy fee with the other payments due on Day 44, Day 88, Day 132, Day 176, Day 220, Day 264, and Day 308.
- Monthly Recurring Payment Plan: 16.7% down payment is required, plus the policy fee with the other payments due on a regularly scheduled monthly basis.

Payment Types Accepted

- Credit Cards (Visa and Mastercard), Electronic Fund Transfers (EFT), eChecks, and Business Checks and Money Orders are accepted.
- Business Checks (Lienholders/Mortgagees Checks) and Money Orders should be sent to the following address:

American Reliable Insurance Company
PO Box 6046
Scottsdale, AZ 85261-6046

Please make sure that the policy number is printed on the business check or money order.

This will ensure that payments are applied properly if the check becomes separated from the envelope.

Credit Card or eCheck Payment Options

- **MyARICPolicy.com:** This website allows either the policyholder or agent/broker to apply payment to an existing policy. Three pieces of information are needed to apply payment: policy number, agent number (8 digits) and named insured mailing address zip code. The website address is: www.MyARICPolicy.com
- **i-Reli Payment Tab:** Agents/Brokers may apply payment at time of policy issuance or access the i-Reli payment tab for existing policies upon logging into i-Reli.
- **Customer Service Support Line:** Policyholders may call 1-800-535-1333 and follow prompts to reach our Customer Service team. A customer service associate will take policyholder credit card information and apply a payment.

Check Payment Status

- **i-Reli Billing Tab:** Agents/Brokers can access real-time billing information through the i-Reli Billing Tab. Information concerning payment status, future payment schedules, cancellations and non-renewals are housed in this tab.

Monthly Recurring Payments (Monthly EFT) Registration

- **Over the Phone:** Registration can be performed over the phone with our Customer Service team at 800-535-1333 (follow prompts). This will be done over a recorded line with the account holder providing the authorization for the recurring payment from their bank account.
- **Mail in Form:** A hard copy form can be filled out and returned to American Reliable Insurance Company per the instructions on the form. The mail in form is available during the i-Reli new application process and will also be available on the i-Reli home page under the "News" category.



American Reliable Insurance Company

8655 E. Via De Ventura, Suite E200
Scottsdale, AZ 85258

T 480.483.8666 F 480.483.0238

Your On-line Policy Issuance System
www.aricireli.com

MyARICPolicy.com!

Policyholders can utilize our insurance portal at www.MyARICPolicy.com to access and manage their policies.

The portal allows your clients the ability to:

- Make a Payment and View Payment History
- Manage Future Payments / Invoice Schedules
- View & Print Policy Documents and Invoices
- Create a Unique User Name and Password
- Link multiple Policies under one User

Contact Us

For iReli Technical Support:

iReli Customer Support Line: 800-535-1333, ext 670.

Policyholders or Agents may call:

To Make a Payment or speak to a Customer Service Representative

Call: 800-535-1333.

To Report a Claim

Call or fax us directly to report a claim.

Call: 1-800-245-1505 Fax: 1-800-224-4170

Normal business hours are from 7:00 a.m. to 5:00 p.m. Mountain Standard Time.

After normal business hours an answering service will take a message. All calls will be returned the next day.