


Texas

State Auto[®] Homeowners Manual



This manual contains rules applicable to the Homeowner, Renter and Condominium coverages for the insurance of Homeowner Program.

Refer to the policy or endorsement forms for the details of the coverage for which rules are provided in this manual.

Changes in the manual rules will be announced. Information that includes the following symbol () indicates a change.

GENERAL PHILOSOPHY

We are in the business of providing insurance. This statement implies that coverage will be available to a broad cross section of the public at a reasonable cost, with the expectation of profitable operation for both our agents and the Company.

While it is our intention to establish a premium structure with sufficient flexibility to accommodate most potential policyholders, there are certain risk characteristics that present such a propensity to loss that they cannot be accepted in our programs. The purpose of this guide is to help define these acceptability standards.

It is important to note that State Auto adheres to the terms of any applicable statutes. Thus, to the extent any of the guidelines contained in this document are in conflict with applicable law, the guidelines are superseded by the law.

Beyond the general guidelines contained herein, we also recognize the importance of the agent's role in the underwriting process. By virtue of personal inspection of the property, the agent is in a unique position to assess risk characteristics and exercise underwriting judgment.

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I - UNDERWRITING GUIDELINES

A. Entire State

Eligibility Guidelines	Premier	Protection Plus	Standard
Available Forms	HO0004 – Renters HO0005 – Homeowner Expanded HO0006 - Condominium	HO0003 - Homeowner HO0004 – Renters HO0005 – Homeowner Expanded HO0006 - Condominium	HO0003 - Homeowner HO0004 – Renters HO0005 – Homeowner Expanded HO0006 - Condominium
Minimum Coverage			
Coverage A	100% of Replacement	100% of Replacement	80% of Replacement
Coverage B	20% of Coverage A	10% of Coverage A	10% of Coverage A
Coverage C			
HO0003	75% of Coverage A	70% of Coverage A	50% of Coverage A
HO0005	75% of Coverage A	70% of Coverage A	50% of Coverage A
HO0006	\$10,000	\$10,000	\$10,000
HO0004	\$10,000	\$10,000	\$10,000
Coverage D			
HO0003	Unlimited/for 24 months	30% of Coverage A	30% of Coverage A
HO0005	Unlimited/for 24 months	30% of Coverage A	30% of Coverage A
HO0006	Unlimited/for 24 months	30% Coverage C	30% Coverage C
HO0004	Unlimited/for 24 months	50% Coverage C	50% Coverage C
Coverage E	\$100,000	\$100,000	\$100,000
Coverage F	\$1,000	\$1,000	\$1,000
Secondary Residence	Must not be located outside of the United States		
Occupancy	Must be owner-occupied dwelling and residential only		
Loss History	No more than three paid losses are permitted in the last three years (excluding mold damage claims provided certification form MDR-1 has been completed by a qualified mold remediation inspector).		
Pools	<p>In-Ground Pools:</p> <ul style="list-style-type: none"> • A 4’ fence with locked gate is required unless the pool has a motorized track type safety pool cover or if a natural barrier is present, reducing visibility of the pool. • Pools with diving boards are eligible if the board is no more than 20 inches above the water level, and the pool has a minimum depth of 8 feet in the diving area. • Pools with slides are eligible with a minimum pool depth of 5 feet in the slide area. <p>Above-Ground Pools:</p> <ul style="list-style-type: none"> • A 4’ fence with a locked gate or a ladder that can be retracted and locked. • Diving boards and pool slides are ineligible with above ground pools. 		

I - UNDERWRITING GUIDELINES (continued)

B. Coastal Area

Coastal Properties – Including Wind Coverage
Tier 1 (TWIA) Consists of the following counties: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy and a portion of southeastern Harris County
The following requirements must be met: <ul style="list-style-type: none">• All exterior windows have either hurricane shutters or impact resistant glass• Year of construction must be 1996 or newer• Carry a flood insurance policy up to Coverage A amount for Zones A and V• Maximum Coverage A is \$2,000,000• If HO6 Condominium policy, must be located on the second floor or higher• If HO3 or HO5, must be the primary residence requiring year round occupancy• If HO3 or HO5, must have a 5% windstorm or hail deductible
Tier 2 Consists of the following counties: Bee, Brooks, Fort Bend, Goliad, Hardin, Harris County (excluding the Southeastern portion of the county), Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, and Wharton.
The following requirements must be met: <ul style="list-style-type: none">• Carry a flood insurance policy up to Coverage A amount for Zones A and V• If HO6 Condominium policy, must be located on the second floor or higher• If HO3 or HO5, must have a 2% or higher windstorm or hail deductible

Coastal Properties – Excluding Wind coverage (Windstorm or Hail Exclusion is only offered in Tier 1 area)
Tier 1 (TWIA) Consists of the following counties: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy and a portion of southeastern Harris County
The following requirements must be met: <ul style="list-style-type: none">• If HO6 Condominium policy, must be located on the second floor or higher• Carry a flood insurance policy up to Coverage A amount for Zones A and V

II - INELIGIBLE RISKS

- Brokered Business in which the transaction is facilitated by a third party to the agent and insured
- Named insured is that of a trust, estate or business
- Any applicant convicted of arson
- Any dwelling located in protection class 10 or 10W that is not located on an all-weather road and/or is not visible from the road or other homes year round
- Any dog on the residence premises of the following breeds (or any mix of these breeds): Pit Bull/Staffordshire Terrier, Doberman Pinscher, Rottweiler, Great Dane, Presa Canario, Akitas, Alaskan Malamute, Chow, German Shepherd, Siberian Husky, Wolf hybrid.
- Any dog that may be aggressive, unrestrained, or has a previous bite history
- Exotic animals.
- Extending liability to residences rented to others which are vacation type rentals or are located outside of the United States.
- Watercraft titled in the name of a business (with the exception of a Limited Liability Company)
- **Homes with the following characteristics:**
 - Homes that are not owner occupied.
 - Mobile Homes, Manufactured Homes, Pole Barn Homes, trailer homes, Earth Homes and Log Homes
 - Homes under construction for insured's who are not the intended occupant
 - Homes with the Builder's Risk endorsement which are not completed within 21 months from the policy new business effective date.
 - Homes under construction, *unless* the **FI150** is attached to the policy
 - Homes with aluminum or knob and tube wiring
 - Homes with less than 100 amp electrical service or homes with fuses
 - Homes with more than 4 family units
 - The dwelling must have a continuous, closed, masonry foundation (excluding coastal properties located in Tier 1 and 2)
 - Historic Homes or Homes on a Historic Registry
 - Campers or Motorhomes used as a residence
 - Homes in or upon foreclosure proceeding
 - Homes with a wildfire risk score of 81 or greater
 - Vacant or unoccupied homes

II - INELIGIBLE RISKS (Continued)

- Homes with roofing over 20 years old unless the ACV Wind Hail Losses to Roof Settlement endorsement is applied to the policy. If roof type is metal, tile, concrete or slate, this would also be acceptable if over 20 years old.
- Vacant or unoccupied homes
- Homes that do not have a central heating system
- Solid Fuel heating devices not tested by a reputable heating facility such as UL, OMNI or Intertek
- Solid Fuel heating devices not professionally installed
- Homes in PPC 10 or 10W with a stove or fireplace insert.
- The dwelling's primary heating source is a solid fuel heating device
- Homes with a solid fuel heating device and a prior solid fuel heating loss
- Homes with a solid fuel heating device in a workshop, garage or outside structure

III - BINDING AUTHORITY

The agent may bind coverage on any risk, which meets the eligibility guidelines, if:

- A.** The required application(s) and option selector(s) are fully completed, signed by the Named Insured and the Agent, and electronically received by the Company within seven (7) calendar days of the effective date of coverage.
- B.** The effective date will meet the following parameters from the original date quoted:
 - Forty-five (45) calendar days in advance
- C.** Any necessary documents, such as appraisals, bill of sale, certificates, etc. for verification purposes must be retained in the agent’s file (unless noted in the specific rule) to be available for company audits.

Earthquake Moratorium – Do not bind any property coverage for 72 hours or any earthquake coverage for 30 days after a Seismic event of a 4.5 or greater on the Richter Scale. This applies to both dwelling fire and homeowner policies.

Seismic Event Richter Scale	Mile Radius of Epicenter	Do Not Bind Property Coverage	Do Not Bind Earthquake Coverage
4.5 – 5.9	250 Miles	72 Hours	30 Days
6.0 or greater	500 Miles	72 Hours	30 Days

Coastal Property Moratorium

Providing property insurance in coastal areas requires special underwriting consideration, primarily due to hurricane exposure. Therefore, we are providing the following guidelines for property risks located in coastal areas. For your guidance in handling new risks or placing additional coverage for existing accounts during a **Hurricane Watch** or **Hurricane Warning**, our guidelines are as follows:

From the time the National Hurricane Center (NHC) issues a **Hurricane Watch/Warning** until 24 hours after the watch or warning is lifted, no new business, increases in existing business, or reduction of any deductibles may be written or bound in the following counties: Angelina, Aransas, Atascosa, Austin, Bee, Brazoria, Brooks, Calhoun, Cameron, Chambers, Colorado, DeWitt, Duval, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Grimes, Hardin, Harris, Hidalgo, Houston, Jackson, Jasper, Jefferson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Liberty, Live Oak, Madison, Matagorda, McMullen, Montgomery, Nacogdoches, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Augustine, San Jacinto, San Patricio, Shelby, Starr, Trinity, Tyler, Victoria, Walker, Waller, Washington, Webb, Wharton, Wilson, and Zapata.

For further information refer to our current Hurricane Bulletin issued at the start of each Hurricane Season. Hurricane Season runs from June 1st through November 30th each year.

III - BINDING AUTHORITY(continued)

Wild Fire/Active Fire Line	Agents need to get company approval before binding any new business or increasing current exposures for personal lines property, inland marine and auto coverages located within 15 miles of any existing wild fire or active fire line.
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IV – GENERAL RULES

The rules, rates, forms and endorsements of State Auto Insurance Companies for each coverage shall govern in all cases not specifically provided for in this manual. Please note that the following rules pertain to all policies unless otherwise noted.

IV.1 Policy Forms and Description of Coverage

The following is a general description of the coverages provided by the individual Homeowners Policy Forms. The Policy should be consulted for exact contract conditions.

A. Property Coverage Section Coverages – Property Damage

Coverage A – Dwelling

Coverage B – Other Structures

Coverage C – Personal Property

Coverage D – Loss of Use

- 1. Form HO0003** – Special Form – Covers dwelling, other structures and loss of use against all risks of physical loss, with certain exceptions. Personal Property is covered against loss on a broad “named peril” basis.
- 2. Form HO0004** – Contents Broad Form – Covers personal property, including the insured’s interest in building additions and alterations, and loss of use against loss on a broad “named peril” basis.
- 3. Form HO0005** – Comprehensive Form – Covers dwelling, other structures, personal property and loss of use against all risks of physical loss, with certain exceptions.
- 4. Form HO0006** – Condominium Unit-Owners Form—Covers personal property, building additions and alterations of the unit and loss of use against loss on a broad “named peril” basis.

B. Liability Coverage Section Coverages –Liability—All Forms

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

- 1. Personal Liability** – Covers payment on behalf of any insured of all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured’s premises or personal activities.
- 2. Medical Payments to Others** – Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured’s premises or personal activities.

IV.2 Additional Interest/Additional Insured

- A.** In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is not provided to such persons or organizations use **Additional Insured Endorsement HO0441**.
- B.** Such persons or organizations who wish to receive notification if the policy is canceled or non-renewed by the insurer can be listed as an **Additional Interest** - Use endorsement **HO0410**.

IV.3 Mandatory Coverages

- A.** It is mandatory that insurance be written for all coverages provided under both Property and Liability Coverage Sections of the Homeowner Policy.
- B.** Liability Coverage Section of the policy requires coverage for the following exposures. When such exposures exist, refer to the Optional Coverages Section.
 - 1.** All additional insured locations where the named insured or spouse maintain a residence other than business or farm properties; and
 - 2.** All residence employees of the named insured or spouse not covered or not required to be covered by Worker Compensation Insurance.
- C.** Coverage for business property/business pursuits is limited under the Property Coverage Section and excluded under the Liability Coverage Section of the Homeowner Policy. If an incidental business occupancy is permitted by the Company to be covered under a Homeowner Policy, it is required that the policy be endorsed, at an additional premium charge, to cover the exposure. When a permitted exposure exists, refer to the Optional Coverage Section of this manual.
- D.** At renewal, the dwelling's estimated replacement cost and Coverage A will be adjusted based on the updated replacement cost returned from Marshall & Swift Boeckh (MSB) reflecting current construction costs. The renewal premium will be based on the new Replacement Cost and Coverage A limit.

For renters policies (HO0004) and condominium owners (HO0006) a cost of living or inflation factor will apply to the appropriate Section I Coverage.

IV.4 Cancellation or Reductions in Limits of Liability/Coverages

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of either the insured or insurer, the earned premium shall be computed on a pro rata basis.

Cancellations must be processed through **StateAutoConnect**.

IV.5 Definitions

A. Construction

Frame – exterior wall of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports. Also includes aluminum or plastic siding over frame and hardi-plank.

Masonry Veneer – exterior walls of combustible construction veneered with brick or stone.

Masonry – exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).

Mixed – a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

Non-Combustible – exterior walls, floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in Masonry above) and floors and roof of metal or other non-combustible materials.

Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials or any construction with exterior walls, floors, joists, studs, and roof trusses treated with Intumescent Fire Retardant Coating, No-Burn® Wood Gard Mih or No-Burn® Plus Mih. For Non-Combustible, Masonry Non-Combustible and Fire Resistive construction types, refer to the Superior construction credit in the Credits/Discounts/Charges section.

IV.5 Definitions (Continued)

B. Seasonal Dwelling Definition

A seasonal dwelling is a dwelling with continuous vacancy of three or more consecutive months during any one year period.

C. Single Building Definition

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

D. Separate Building Definition

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
 - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
 - b. A documented minimum 2 hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

IV.6 Protection Class

A. The protection class listings returned by ISO LOCATION® (PPC™) will apply to risks insured under Homeowner Policies.

B. Single Class Areas

In a classified area where the primary responding fire department has a single classification (e.g. 6), use the designated classification for all properties located within the classified area. The property must be located within five miles of the responding fire department.

C. Multiple Class Areas

In a classified area where two or more classifications are shown for the primary responding fire department, the classifications will be displayed as “#/#X” (e.g. 6/X that was formerly published as 6/9), “#/#Y” (e.g. 6/6Y that was formerly published as 6/8B) or “#/10” (e.g. 6/10). The classification is assigned as follows:

Distance to Primary Responding Fire Department	Protection Class
a. 5 road miles or less and within 1,000 feet of a hydrant	Use the first class shown (e.g. 6/6X), use class 6
b. 5 road miles or less and over 1,000 feet to hydrant	Use the second class shown (e.g. 6/6X), use 6X
c. More than five, but less than seven road miles and within 1000 feet of hydrant	Use Class 10W
d. For properties not qualifying for a, b, or c. above	Use class 10

V – CREDITS, DISCOUNTS and CHARGES

V.1 Advanced Quote Discount

The Advanced Quote Discount is a credit that is applied to qualifying homeowner policies, based on:

- The number of days the initial quote is quoted in advance of the effective date
- The policy form

Eligibility:

- The initial quote needs to have been made eight or more days prior to the effective date of the policy.
- The initial quote cannot be more than 45 days prior to the effective date of the policy.
- The discount applies to both primary and seasonal dwellings, for HO0003, HO0005 and HO0006 policies only.
- Renewal policies will qualify only if they received the discount when the policy was newly issued and have had continuous coverage under State Auto Insurance Companies.
- This discount will not apply to policies rewritten from another State Auto Insurance Company.

V.2 Financial Stability Rating

This discount or surcharge is based on the credit score ranking of the insured. We will reunderwrite and rerate a policyholder based upon an updated credit report or score at the insured's or their agent's request.

V.3 Fortified Certification Discount

Eligibility – A one or two family dwelling that:

- A.** Has been designated and constructed in conformity with, and has been certified as meeting, the requirements of the FORTIFIED for Safer Living® standards promulgated by the IBHS FORTIFIED® standards; or
- B.** Has been designed and constructed in conformity with, and has been certified as meeting, the requirements of the 2006 International Residential Code® (or later) for One- and Two- Family Dwellings promulgated by the International Code Council®, including the design criteria applicable to construction in hurricane-prone regions; or
- C.** If an existing structure, has been retrofitted in conformity with, and has been certified as meeting, either the GOLD, SILVER, or BRONZE hurricane mitigation measures in the FORTIFIED Home™ program promulgated by the IBHS FORTIFIED® standards.

Verification of Improvements and Proof of Compliance

The insured must submit proof to the agent that the windstorm loss mitigation features and/or construction techniques have been implemented. This documentation should remain in the agent's file for auditing purposes. Acceptable forms of proof include either:

- A.** A written certification or report (with certification) from a licensed professional with expertise in construction techniques, building design or property inspection or appraisal, including but not limited to: an architect, an appraiser, a building inspector, or a contractor that the retrofitting technique mitigation measure has been implemented in accordance with applicable standards; or
- B.** An affidavit from the property owner certifying that the mitigation or construction techniques have been implemented. Certified copies of the applicable receipts must accompany the affidavit.

The insured is responsible for the expense associated with substantiating the installation of the loss mitigation features.

V.4 Home Purchase Discount

This credit is available to any new homeowner policy where the insured has newly purchased their home and meets the following requirements:

Eligibility:

- For new business, the home must be purchased within the last twelve months prior to the effective date of the policy. This does not include refinances.
- Renewal policies will qualify only if they received the discount when the policy was newly issued and have had continuous coverage under State Auto.
- The discount applies to HO0003, HO0005 and HO0006 policies only.

V.5 Loss Experience Rating

The loss experience rating incorporates many types of losses as well as the number of losses in determining the impact on the policy premium.

Our loss experience modifier only considers losses that are not the result of natural causes. The modifier also does not consider claims that are filed but not paid or payable under the policy, medical payment claims, nor prior appliance-related claims filed by the insured or on the insureds property, if the damage has been properly repaired or remediated and the repair or remediation was inspected and certified.

For any claim to be considered it must exceed a threshold amount of \$500. The loss experience modifier will apply for a three (3) year experience period.

Loss experience rating also includes a separate loss free discount component that includes the same type of claims considered for the loss experience modifier except with two differences:

- 1) Includes losses with paid amounts of \$1 to \$500
- 2) The losses will be considered for a five (5) year period

Watercraft losses that modify the premium will be applied to the watercraft premium.

Losses of the following types will not result in the premium being adjusted: Contamination, Flood, Earth Movement, Earthquake, Sinkhole, and Riots, Civil Commotion and Strike.

V.6 Multiple Policy Discount

This credit is available to insureds that have a personal lines automobile, umbrella or business auto policy in force and homeowner policy written with State Auto Insurance Companies. While the application of this plan is relatively simple, we have outlined below a number of rules and requirements that apply to our various programs.

A. Credit

The credit applies to HO0003, HO0004, HO0005 and HO0006 risks. The credit amount is applied to the adjusted base premium.

B. Eligibility

- 1.** All homeowners forms and both primary and secondary residences are eligible to receive the multiple policy discount.
- 2.** Private passenger auto, umbrella or business auto policy written under a State Auto policy will enable eligible homeowner policies to receive the discount.
- 3.** If the supporting policy will be written within the first policy term, we will also extend the discount. If the supporting policy is not received by the first policy renewal, the discount will be removed at that time.

C. Processing Instructions

1. New Applications

When a homeowner application is submitted that is eligible for the multiple policy discount include the policy number(s) of the corresponding auto, umbrella and business auto policy.

2. Mid-Term Changes to Existing Policies

The multiple policy discount may be added to existing business as of the effective date of supporting coverage. A change request for each policy, with the corresponding auto/umbrella/business auto policy number shown, must be entered through StateAutoConnect.

3. Cancellation of a Policy With Multiple Policy Discount

If the corresponding auto, business auto policy or umbrella policy is canceled, the Homeowner policy will be set up to remove the multiple policy discount at the next renewal.

4. Declarations Pages

When the multiple policy discount credit applies, the discount will be displayed on the declarations page of the policy.

V.6 Multiple Policy Discount (Continued)

5. Promise of Second Policy

When there is the promise of a corresponding auto, umbrella or business auto policy we will apply the multiple policy discount to a homeowner policy under certain conditions. Here are the key points you will want to keep in mind.

- If you promise the supporting auto, business auto policy or umbrella policy by the expiration date of the policy, the multiple policy discount can be applied to the Homeowners policy.
- If the promised auto, business auto policy or umbrella policy is not received, the multiple policy discount will be removed from the Homeowners policy at the next renewal.
- A quote is not acceptable. The supporting auto, business auto policy or umbrella policy must be issued.
- No trial applications will be accepted and the homeowners application must meet all of our eligibility requirements to qualify for the multiple policy discount.

V.7 New Construction Factor

Under the policy forms HO0003 or HO0005, New Construction Discount is available.

V.8 Prior Carrier Discount

The Prior Carrier Discount will apply to HO0003, HO0005 and HO0006 new policies that have been continuously insured with the same prior carrier for at least three (3) years. A lower amount of discount will apply to policies insured with the same prior carrier for three (3) to five (5) years. Policies written that have been continuously insured with the same prior carrier six (6) or more years will receive a larger discount.

V.9 Protective Devices Credit

The following protective devices are eligible for premium credits for the installation of an approved and properly maintained burglar alarm, fire alarm or sprinkler system in the dwelling:

PROTECTIVE DEVICE DESCRIPTION
Central Station Burglary Alarm System
Central Fire Alarm System
Burglary Alarm System That Alerts the Police Department
Fire Alarm System That Alerts the Fire Department
Burglary and/or Fire Local Alarm System Including UL Approved Smoke Detector Devices
Sprinkler System In All Areas Including Bathrooms, Attics and Attached Structures
Sprinkler System With Sprinklers Totally or Partly Omitted in Bathrooms, Closets, Attics and Attached Structures and With Fire Detectors In All Areas Where the Sprinkler is Omitted
Temperature Monitoring System (Freeze Alarm) that activates a Central Station Alarm

A Central Station Alarm Certificate (Burglary and/or Fire) will be required with the home submission in **StateAutoConnect** at issuance, if applicable. If this documentation is not received within 30 days by the Company, the discount will be removed from the policy.

This credit applies to HO0003, HO0004, HO0005 and HO0006 policies.

V.10 Roof Construction Factor

This factor is based on the roof material and the age of the roof. The factor does not apply to HO0004 and HO0006 policies.

A. Tile, Concrete, Metal, or Slate Roof applies to policies in which the portion of the roof covering the living area of the dwelling is made entirely of clay, concrete, cement-fiber, slate, or metal. Metal roof refers to the type manufactured for residential dwellings, not utility grade metal roofing.

V.11 Roof Surfacing Cosmetic Damage Exclusion

Applies to all forms except HO0004 and HO0006.

The policy provides settlement for building losses, including roof surfacing, on a repair or replacement cost basis, subject to certain conditions. The policy may be endorsed to exclude Cosmetic Damage from roof surfacing by applying endorsement **FI0644**. Cosmetic Damage means marring, pitting or other superficial damage that alters the appearance of the roof surfacing on buildings.

This exclusion is applicable to coverages A or B and only if the damage was caused by the peril of windstorm or hail.

The following roof types are eligible for the exclusion:

- a. Tin
- b. Steel
- c. Aluminum, Corrugated
- d. Shingles, Aluminum
- e. Steel, Standing Seam
- f. Terne, Flat Seam
- g. Copper
- h. Copper, Flat Seam

The exclusion may be removed only on the renewal date.

V.12 Smart/Connected Home Credit

This credit will apply to the following Smart Home technologies:

- Smart Camera
- Smart Smoke Alarm
- Smart Lights
- Automatic Temperature Detection
- Water Leakage/automatic shut off
- Gas Leakage Detection/automatic shut off

It will apply to HO0003, HO0004, HO0005 and HO0006 policies.

V.13 Solid Fuel Heating Device Surcharge

A dollar charge will be added to all policies with an acceptable solid fuel heating device. This includes wood, corn, pellet, and coal stoves, and other similar solid fuel units, fireplace inserts and outdoor wood burning units.

This applies to all forms.

Note: Refer to the ineligible risks guidelines for ineligible solid fuel risks.

V.14 State Auto Employee Discount

Employees, immediate family (spouse, children, parents and siblings of the employee) and those employees who are insured with State Auto and become former employees or retirees of the State Auto Insurance Companies qualify for the Employee Discount. Rewritten policies for former employees or immediate family in these situations will not be eligible for the discount.

V.15 Superior Construction Credit

The premium for an eligible dwelling or apartment unit in a building of superior construction is based on the construction type. Refer to the Construction Definitions page in this manual for eligible construction types.

V.16 Windstorm or Hail Exclusion - Texas

The peril of Windstorm or Hail may be excluded for all coverages, except Coverage D – Loss of Use, when the property is located in a designated catastrophe area and is eligible for coverage through the Texas Windstorm Insurance Association (TWIA).

The following rules are applicable to this exclusion:

1. A copy of the exclusion must be signed and dated by the named insured.
2. The exclusion may be removed only on the renewal date.

Use Endorsement **HO0470**

V.17 Wood Shingle Surcharge

All residential dwellings (Coverage A) and detached outbuildings (Coverage B) with wood shingled roofs will have a dollar charge applied to the policy based on the square footage of the combined buildings. This is applicable to forms HO0003 and HO0005 only.

VI – PAYMENT OPTIONS

A. Policy Terms

12 months (Annual)

B. Billing Methods Types:

- 1. EFT:** Electronic Funds Transfer offers automated withdrawals from insured's bank account.
- 2. Credit Card:** offers automated withdrawals from insured's credit card.
- 3. Mortgagee/Escrow Billing:** must utilize the pay play option of "Full Pay"

C. Billing Methods:

Account Bill - Multi policy account bill where we will bill all of your State Auto policies together, except for any policies that are to be paid by an escrow account (billed to a mortgage company).

- 1.** All policies will share a common deduction/withdrawal date each month, according to the payment plan selected for each policy. The deduction/withdrawal date will be determined by the policy effective date of the first policy issued for the account.

D. Billing Notifications:

- 1.** Insured is notified the amount of the first deduction 14 days in advance, and thereafter, will receive notification of changes by \$1.00 or more.

E. Pay Plan Options:

- 1. Full Pay**
- 2. Monthly**
- 3. Semi-Annual** (Two Pay)

F. Billing Fees:

- 1. EFT:** \$0.00
- 2. Credit Card:** \$0.00
- 3. Full Pay:** \$0.00
- 4.** The required down payment premium, due at inception of policy term, must accompany the new business submission.

G. Additional Billing Fees may be assessed:

- 1. NSF** (Returned Payment/Non-sufficient Funds) Fee: \$25.00
- 2. Late Fee** for payments received more than four days after the payment due date: \$0.00

VII – OPTIONAL COVERAGES

VII.1 Actual Cash Value – Wind Hail Losses to Roof Settlement

- A.** All forms except HO0004 and HO0006
- B.** The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.
- C.** The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.
- D.** In the event the roof surfacing is completely replaced after this endorsement was made a part of this policy, the endorsement will be removed from the policy upon our notification.

Use endorsement **HO2305**.

VII.2 Additional Residence Occupied by Insured

- A.** Property and Liability Coverages for a secondary residence premises shall be provided under a separate policy.
- B.** Properties located outside of the United States are not eligible for liability coverage.

VII.3 Additional Residence Rented to Others

The policy may be endorsed to provide coverage when an additional residence is rented to others. The Additional Residence Rented to Others endorsement is limited to five (5) locations.

Use endorsement **HO2470**.

VII.4 Assisted Living Care Coverage

A. The policy provides coverage to named insureds and resident relatives who are members of the insured's household.

B. Coverage Description

1. The policy may be endorsed to provide personal property, additional living expense and personal liability coverage to a person regularly residing in an Assisted Living Care facility, provided such person;
 - a. Is related to an insured by blood, marriage or adoption; and
 - b. Is not a member of the insured's household.
 - c. The name and relationship of the person will need to be provided.
2. An assisted living care facility that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities. It is not a hospice, prison or rehabilitation facility.
3. The endorsement provides the following basic limits of coverage:
 - a. \$10,000 for Coverage C – Personal Property with limitations ranging from \$100 to \$500 for certain items of property.
 - b. \$6,000 at \$500 per month for Additional Living Expenses; and
 - c. \$100,000 for Coverage E – Personal Liability.

C. Medical Payments Coverage is ***not provided*** and is ***not available*** in this form.

D. Increased Limits For Coverage C

The \$10,000 property limit provided by this endorsement can be increased in increments of \$5,000 to a maximum of \$25,000.

E. Increased Liability Limits

The \$100,000 liability limit provided in this endorsement can be increased, but cannot exceed, the limit of liability provided at the primary insured residence.

Use endorsement **HO0459**.

VII.5 Blanket Personal Property

For additional premium, we will offer personal property coverage on a blanket basis for the classes of property listed below up to the limit shown in the Declarations.

The blanket maximum per category is \$25,000, and the maximum limit per item is \$5,000 with the exception of computer systems which offer a maximum category limit of \$10,000.

Property which is already specifically scheduled is not eligible for coverage under this form.

- A. Jewelry** covers articles of personal adornment composed at least partially of silver, gold, platinum or other precious metals or alloys, whether or not containing pearls, jewels, or precious or semi-precious stones. We do not cover bullion, gold, silver, and other precious metals or unmounted gems.
- B. Silverware** covers silverware, silver-plated ware, gold-ware, gold-plated ware and pewter-ware worldwide.
- C. Fine Arts** covers paintings, etchings, lithographs, pictures, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture and silver, manuscripts and rare books, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.
- D. Coin Collections** covers rare and current coins, medals, paper money, bank notes, tokens of money and other numismatic property, including coin albums, containers, frames, cards and display cabinets in use with such collections.
- E. Computers** covers:
 - 1.** Computers, monitors, printers and scanners;
 - 2.** Commercial software and data storage media including games, tapes, compact discs, DVD's and hard discs; and
 - 3.** Equipment and accessories related to the above.
- F. Firearms:** Covers firearms and related equipment regardless of whether the firearm(s) is fired or not. BB guns, pellet guns and similar air powered guns are not considered to be firearms.

Use endorsement **FI2685**.

VII.6 Builders Risk Coverage

To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant of the dwelling and the following underwriting requirements are met:

- A.** The named insured will be residing in the home when complete.
- B.** The home is being built by a licensed contractor.
- C.** The home will be completed by the within 21 months of the effective date of the policy policy.
- D.** A Replacement Cost Estimator is re-calculated through StateAutoConnect on the dwelling upon completion.

Use Endorsement **FI150**.

VII.7 Building Additions and Alterations

Form HO 0004 – Building Additions and Alterations Increased Limits

The standard policy provides 10% of the personal property limit for Building Additions and Alterations. If you wish to add additional coverage to an HO 0004 policy for Building Additions and Alterations Increased Limits - Use endorsement **HO0451**.

VII.8 Building Additions and Alterations – Other Residence

All Forms – Building Additions and Alterations at Other Residence

When the policy is extended to provide this coverage at residences other than the residence premises, rented to an insured.

Use endorsement **HO0449**.

VII.9 Business Pursuits

Coverage may be provided for the liability of the insured arising out of business activities for the occupations of a clerical employee, salesperson, collector or messenger and teacher or tutor.

Coverage is excluded if the insured owns the business, is a partner or maintains financial control in or of the business.

Coverage is not offered for corporal punishment administered by or at the direction of the insured.

Use endorsement **HO2471**.

VII.10 Deductible Options

A. Deductible Options

The following deductible options are available for HO0003, HO0004, HO0005 and HO0006 policies:

Flat Deductible	Percentage Deductible
\$500	1%
\$1,000	1.5%
\$1,500	2%
\$2,500	3%
\$5,000	4%
\$10,000	5%

The percentage deductibles do not apply to HO0004 or HO0006 policies.

B. Windstorm or Hail Deductibles

The windstorm or hail deductible must be equal to or greater than the all peril deductible. The following percentage wind/hail deductible options are available for HO0003, HO0005 and flat wind/hail options for HO0006 policies:

Flat Wind/Hail Deductible (HO0006 only)	Wind/Hail Percentage Deductible (HO0003 & HO0005 only)
\$500	1%
\$1,000	1.5%
\$1,500	2%
\$2,500	3%
\$5,000	4%
\$10,000	5%

Properties located in counties that are not in Tier 1 or Tier 2 are required to carry a minimum 1% Windstorm or Hail deductible.

Properties in the following Tier 1 (TWIA) counties are required to carry a minimum 5% Windstorm or Hail deductible if wind coverage is not excluded:

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy and the TWIA area of southeastern Harris County.

VII.10 Deductible Options (Continued)

Properties in the following Tier 2 counties are required to carry a minimum 2% Windstorm or Hail deductible:

Bee, Brooks, Fort Bend, Goliad, Hardin, Harris County (excluding the TWIA area of the Southeastern portion of the county), Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, and Wharton.

Use endorsement **FI187(Windstorm or Hail Deductible)**

VII.11 Coverage C – Increased Limits

The Standard, Protection Plus and Premier offerings provide an amount based on the percentage of the Coverage A value for forms HO0003 and HO0005. This amount can be increased up to the Coverage A limit

HO0006 policies allow a minimum of \$10,000 for Coverage C in all offerings and allow up to a maximum of \$750,000 to be selected.

HO0004 policies allow a minimum of \$10,000 for Coverage C in all offerings and allow up to a maximum of \$500,000 to be selected.

VII.12 Earthquake Coverage

This peril shall apply to all Section I coverages for the same limits provided in the policy. The following conditions must be met in order to provide coverage:

1. Coverage may be added at any time, except during a moratorium period.
2. A minimum deductible of 5% of the policy limit applies.
3. The deductible applies separately to loss under the various Section I coverages. If the limit of liability on certain property is increased by endorsements, the total limit of liability is used to determine the deductible.
4. Once coverage is added, coverage can only be deleted at the policy expiration date.

*For Frame dwellings, otherwise rated as Fire Resistive construction due to the application of the Intumescent Fire Retardant Coating, No-Burn® Wood Gard Mih or No-Burn® Plus Mih, apply the Frame rate for Earthquake rating purposes.

**The charge applies separately for Coverage B increased amount, Structures Rented to Others – Residence Premises HO0440 and Specific Structures Away From the Residence Premises FI-0492.

Masonry Veneer Earthquake Exclusion – this optional exclusion applies to either brick or stone on frame. The exclusion can only be removed at renewal and applies to **HO0003, HO0004** and **HO0005** policy forms.

Additional Deductible Percentages
10%
15%
20%
25%

Zone Definitions by County:

Zone 5 -- Entire State

Use Endorsement **FI0454**.

VII.13 Extended Theft Coverage for Residence Premises Occasionally Rented to Others

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders.

Do not use this form if any of the following forms are reflected: **HO0005, HO0561, FI281TX or FI282TX**. These forms provide open peril coverage for personal property. With any of these forms attached, this endorsement is not needed as coverage is not excluded.

Note: Once added, coverage cannot be deleted until renewal.

Use endorsement **HO0541**.

VII.14 Farmers Personal Liability

Homeowner policy forms HO0003 and HO0005 may be endorsed to provide coverage for an incidental farming exposure on or away from the residence premises.

A. General Underwriting Guidelines - Each of the following guidelines must be met in order to warrant further consideration as an incidental farming exposure for coverage in personal lines:

1. The property must meet the protection class guidelines as listed in the New Business Underwriting Guidelines section of this manual.
2. The farming operation is not the primary source of income for the insured and gross income from farming operations (including tenant farm rental income) does not exceed \$5,000 annually.
3. In addition to the residence premises, only one other location used for farming.
4. The entire farming operation, including all buildings, machinery, and vehicles, must be located upon one of the insured farming locations.
5. The farming activity must not involve employees.

If the preceding general guidelines are met, the following specific rules regarding eligibility must be followed in order to provide coverage:

A. Ineligible Risks - The following risks do not fit within the scope of our Farmers Personal Liability Coverage form, and should be referred to the Farm Center or the Business Insurance Underwriting Department for consideration.

1. Farms involving labor-intensive crops such as vegetables, berries, cherries or nuts, in which farming activity is heightened due to short harvest periods. Farms which grow these products for personal consumption or for selling in a small roadside stand are eligible.
2. Vacant or unoccupied dwellings.
3. Farms operated by anyone other than the named insured, unless operated by a tenant under the insured's supervision or under contract management.
4. Farming operations in which the primary activity is manufacturing, processing, or supplying commodities for manufacturing or processing; including creameries, dairies, freezing or dehydrating of plants.
5. Commercial milling operations.
6. Commercial hatcheries.

VII.14 Farmers Personal Liability (continued)

7. Raising of poultry.
8. Custom crop drying operations.
9. Farming operations which involve boarding, raising, training, racing or use of animals for riding or show purpose other than for 4-H, FFA or personal use.
10. Farming involving fur bearing animals such as mink, fox, or rabbit.
11. Auctions involving sales of livestock or farm products.
12. Hunting or fishing camps operated for the general public.
13. Youth camps, vacation farms, bed and breakfast operations, dude or guest ranches, or property with barns used for public dances
14. Greenhouses, unless they are incidental to the operations and contain a total area of less than 400 square feet.
15. Farms that allow the public to “pick your own” produce.
16. Farms involving employees who work exclusively for the farming operations.

B. Coverage for Farm Outbuildings

1. Outbuildings on the Resident Premises

- a. Structures on the “residence premises” containing business property solely owned by the insured, provided that property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure are covered under Coverage B.
- b. A limit of three outbuildings on the residence premises.
- c. All barns, outbuildings and other structures must be in good condition. The most preferred outbuilding would be fully enclosed with no open sheds attached; be constructed of continuous mortared masonry or concrete under all exterior walls; and contain noncombustible floors throughout the building, such as earth, concrete, gravel, sand, cinders, asphalt, bricks, blacktop or tile.

Buildings on the insured premises which are obsolete, in poor condition, or have little value with respect to the farming operations, should be excluded from coverage by listing on the **Exclusion – Designated Other Structure on the “Residence Premises” – FI99. Note:** This exclusion also excludes property damage and bodily injury for the excluded structure.

VII.14 Farmers Personal Liability (continued)

- 2. Outbuildings off the Residence Premises** – are not covered under any of the basic homeowners contracts. If coverage is desired for an outbuilding which is located off the residence premises, the **Specific Structures Away From the Residence Premises, FI0492**, is needed. The outbuilding must be located on an insured location. Please refer to the Other Structures Coverages manual rule.

The Coverage E and Coverage F charge apply separately to each Farm Premises.

Farm Employees – Coverage is not available

Use endorsement **HO2473**.

VII.15 Fire Department Service Charge

The limit provided in the basic ISO contracts is \$500. The Standard offering may be increased up to a limit of \$1,500. Protection Plus and Premier provide additional limits within each offering and may be increased up to a limit of \$2,000. For all offerings the limits may be increased in increments of \$500.

Use endorsement **FI55**.

VII.16 Foundation Coverage

The policy does not provide coverage for losses caused by seepage or leakage of water or steam. However, a homeowner policy may be endorsed to provide the following coverage for foundations:

The endorsement provides coverage for settling, cracking, shrinking, bulging or expansion of foundations, floor slab or footings that support the dwelling caused by seepage or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system.

The coverage includes the cost of tearing out and replacing any part of the building or covered property necessary to repair the system from which the water or steam escaped. The loss to the system or appliance from which the water or steam escaped is not covered.

The following rules apply:

- a. Must be paired with water damage coverage (**HO0467**)
- b. Only applicable to forms HO0003 and HO0005
- c. Removable only at renewal.

Use endorsement **HO0468**

VII.17 Functional Replacement Cost Loss Settlement

The standard Homeowners policy provides dwelling loss settlement on a replacement cost basis if the Coverage A limit of liability represents at least 80% of its full replacement cost immediately before the loss. If an insured requests Coverage A limit of liability to be less than full replacement value, the functional replacement cost loss settlement provision may be an available option.

Functional Replacement Cost Loss Settlement – H00530

With this option, the replacement cost loss settlement provision is replaced with a functional replacement cost loss settlement provision. A damaged dwelling or separate structure is repaired or replaced with less costly common construction materials which are functionally equivalent to obsolete, antique or custom construction materials.

This endorsement is available on Standard, Protection Plus and Premier.

Year of construction must be prior to 1940 and construction type on the Replacement Cost Estimator must be standard. The assumptions in the MSB replacement cost estimator must be reloaded as well.

Policy forms HO 0003 and HO 0005 are eligible for this loss settlement provision.

At the time this endorsement is added, the Coverage A limit of liability must be 100% of the functional replacement value of the home and be shown in the policy declarations.

Use endorsement **H00530**.

VII.18 Home Business Insurance

Home Business Insurance Endorsement coverage offers a package of coverages tailored to the needs of small businesses and may be provided to homeowners who are owners of eligible businesses operated at the primary residence premises.

A. Eligible Home Business Insurance Operations

Please refer to the Home Business Insurance Endorsement eligibility guidelines for a listing of acceptable types of business operations and whether products liability coverage is included. Not all home businesses are appropriate for this program.

B. Home Business Insurance Endorsement – Underwriting Eligibility Guidelines

- 1.** Maximum allowable gross sales/receipts are \$250,000 annually.
- 2.** The business must be operated out of the insured's primary residence, used primarily for dwelling purposes, and is the only location from which the operation of the home-base business is conducted.
- 3.** The business must be wholly owned by the named insured and resident relatives and take the form of an individual proprietorship, a partnership, corporation or limited liability corporation (LLC).
- 4.** The business must be in existence for three years unless the applicant worked in a related field for three years or received specific training (e.g., franchise training, etc.).
- 5.** The business operation must occupy no more than 50% of the total area of the residence including basement, garages, and other structures.
- 6.** The business must employ no more than three employees.
- 7.** Applicants must not operate any other business under the same legal name as the covered business.
- 8.** No more than one claim of any type related to the business operation in the past three years.
- 9.** All doors to the outside must be equipped with dead bolt locks and/or comparable slider locks for patio doors.
- 10.** Financial planners that have discretionary trading authority and/or access to customers' data/funds are not desirable.

VII.18 Home Business Insurance (Continued)

11. If there is a change in the type of Home Business Insurance, the company must be notified.
12. May not manufacture, sell or distribute food products.
13. May not sell or distribute personal care products manufactured by the insured such as shampoo, soap or perfume etc.

C. Home Business Insurance Endorsement Coverage

General

1. Business covered by this endorsement must be listed on the declarations.
2. Insured includes partnerships and corporations provided only persons insured are involved.
3. Employees are included in the definition of insured. The business may employ no more than one non-resident relative.

Property

1. Business Personal Property is covered on or off premises up to \$5,000. Additional limits up to is available \$10,000.
2. Computer equipment used in the Home-Based business is included in the Business Personal Property limit.
3. Other structures on the premises used in the Home-Based business are covered.
4. Leased equipment is included as owned if leased for six months or more.
5. Business interruption (Business Income and Extra Expense) is included – limit equal to loss incurred for up to 12 months or up to 60 day, if loss is due to loss to electronic media.
6. Increased limit on money -- \$1,000.
7. Valuable Papers -- \$2,500.
8. Accounts Receivable --\$5,000 on premises and \$2,500 off premises.

Liability

1. Liability coverage E (Bodily Injury, Personal Injury, Advertising Injury and Property Damage liability) and Coverage F (Medical Payments to Others) extends to the covered Home Business operations both on and off the residence premises.

VII.18 Home Business Insurance (Continued)

1. Personal Injury and Advertising Injury are excluded. The HO0753 Personal Injury and Advertising Injury Exclusion will automatically go out on all policies with Home Business Insurance Coverage.
2. Products – Completed Operations coverage is not included or available on all business classes. Refer to eligible business listings for availability.
3. Professional Liability is excluded.
4. The HO0754 (05/11) – Liquor Liability exclusion is also attached with this endorsement.

D. Additional Coverages

1. *Business Personal Property Coverage – Increased Limits*

Additional limits for Business Personal Property (BPP) coverage may be purchased above the basic BPP limit of \$10,000 on and off the premises. Coverage can be increased up to a total limit of \$50,000.

2. *Additional Interests*

Coverage for third parties can be provided by using endorsement HO0752, Loss Payable Provisions.

Use endorsements: **Home Business Insurance Endorsement – HO0770.**

VII.18 Home Business Insurance (Continued)**E. Eligible Home Business Insurance Operations**

Business Operation Description	Products	Notations
Accounting Service	Yes	Including Tax Service. No Financial Planning.
Barber and Beauty Shop Supplies	Yes	Nothing manufactured by insured or sold under insured's own label.
Barber Shops	Yes	No tanning beds.
Barber/Beauty Supplies Representative	Yes	Excluding those involved in design, repackaging, or re-labeling. Excluding direct importing of foreign goods if manufacturer has no U.S. operations. Must be named as Vendor Additional Insured on the manufacturer's policy.
Beauty Salons	Yes	No tanning beds.
Bookkeeping Service	Yes	No financial planning.
Ceramics, Pottery or Clay	Yes	
Embroidery	Yes	
Fabrics, including Sewing, Knitting or Quilting	Yes	
Financial Planner	Yes	
Graphic Artists	Yes	
Insurance Sales	Yes	
Jewelry Engraving	Yes	Maximum of \$5,000 property of others in insured's possession at any one time.
Jewelry Sales Representative	Yes	Associated with major national distributors only. Must be named as Vendor Additional Insured on the manufacturer's policy.
Marketing Consultant	Yes	Advise on best methods for selling clients products or services. Does not become involved with carrying out the plans.
Personal Care Products	Yes	
Pet Grooming	Yes	No overnight boarding.
Photography Studios	Yes	Only incidental photo finishing.
Real Estate Agents	Yes	No property management or investment service exposures.
Real Estate Appraiser	Yes	
Resume Service	Yes	
Tailoring/Alterations and Seamstresses	Yes	No dry-cleaning or laundry services.
Videotaping, Dubbing and Editing	Yes	

VII.19 Home Day Care Coverage

Eligible Risks

The policy may be endorsed to provide Property and Liability coverage arising from a home day care business for 1 to 3 children (other than the insured's children) in the dwelling or in another structure on the residence premises.

Ineligible Risks

- If the day care business involves the care of adults or more than three children, it is **not eligible** for coverage.
- If the premises has a pool or trampoline, it is not eligible for coverage.

A. Property Coverage

1. Other Structures

If the home day care business is located in another structure, Coverage B does not apply to that structure unless this coverage is indicated on the HO-0497 endorsement.

2. Contents

The HO-0497 endorsement provides coverage for that property of the permitted business up to the Coverage C limit. However, the HO-0497 does not increase the Coverage C limit. If increased Coverage C limits are desired, refer to the **Increased Limits on Personal Property** section of this manual.

B. Liability Coverage

This endorsement provides for an annual aggregate limit of liability for Personal Property – Coverages E and Medical Payments – F combined. The limit for Medical Payments is subject to the sub limit of liability which applies per person/per accident and **does not increase** the aggregate limit of liability.

Use endorsement **H00497**.

VII.20 HomeXtended® Coverages Endorsement

A. Coverage Eligibility – This package of coverages can be endorsed onto the Protection Plus homeowner form (HO0003, HO0004, HO0005, and HO0006) and is included in our Premier Offering.

B. Coverage Description - A package of coverages including the following:

1. Coverage up to \$500 for direct physical loss or damage to cellular phones which are owned by an “insured”;
2. Coverage up to \$500 for direct physical loss or damage to a Global Positioning System (GPS) that is owned by an “insured” or “family member” that is not located in or upon a motor vehicle;
3. False Alarm Coverage up to \$1,000;
4. Fire Extinguisher Coverage up to \$250;
5. Computer-Personal Records Coverage up to \$1,500;
6. Personal Property Business Use Coverage up to \$5,000;
7. An additional limit of \$10,000 for Identity Fraud Expense, if the Identity Fraud Expense Coverage is part of your policy;
8. Coverage for added Mortgage & Related Expense coverage paying up to \$1,000 in acquisition costs for title search, appraisal fees and application fees as a result of a total loss to the property and up to \$2,000 per year for the difference in interest rate based on the balance owed on the current primary mortgage at the time of the loss and at the terms of the current primary mortgage.

C. Endorsement

Use the ***HomeXtended® Coverages Endorsement, EX199***

VII.21 Identity Fraud Expense Coverage - Texas

A. Coverage Description

Identity Fraud is the act of knowingly transferring or using, without lawful authority, a means of identification of another person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of law.

Identity Fraud Expense Coverage endorsement provides \$15,000 of coverage to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for:

- Notarizing fraud affidavits or similar documents.
- Certified mail sent to law enforcement, financial institutions or credit agencies.
- Lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies up to a maximum of \$200 per day or \$5,000 aggregate.
- Loan application fees for re-applying for a loan when the application is rejected solely because the lender received incorrect credit information.
- Reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limit of Liability

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

C. Deductible

A \$500 deductible applies to this coverage. No other deductible applies to identity fraud expense coverage.

D. Endorsement

Identity Fraud Expense Coverage – H04297, is only available in our standard product as an optional coverage. This coverage is included in the Protection Plus and Premier offerings. This endorsement provides complete details on coverages, definitions and additional policy conditions applicable to this coverage.

VII.22 Increased Amount of Insurance for Property Located in a Self-Storage Facility

Coverage for certain personal property located in self-storage facilities is limited in the policy form to 10% of Coverage C, or \$1,000, whichever is greater. This limit may be increased. This limit may be increased up to 25% of the Coverage C Limit.

Use endorsement **HO0614**.

VII.23 Increased Limits of Business Property on Residence Premises

- A.** The \$2,500 limit of liability for business property on the residence premises may be increased by as much as \$50,000 in increments of \$10,000.

The limit of liability in excess of \$2,500 does not apply to:

- 1.** Business property in storage or held as a sample or for sale or delivery after the sale;
- 2.** Business property pertaining to a business actually conducted on the residence premises.

This exposure can be covered by the **HO0442 – Permitted Incidental Occupancies endorsement**.

- B.** When the on premises limit is increased, the off premises limit for computer equipment is automatically increased, at no additional premium charge, to an amount equal to the on premises limits for business property.
- C.** When the on premises limit is increased, the off premises limit, other than computer equipment, is automatically increased at no additional premium charge to an amount that is 20% of the total on-premises limit of liability.

Use endorsement **FI0412**.

VII.24 Increased Personal Property – Other Residence

Increased Limits – Other Residences

Coverage for personal property at other residences is limited in the policy form to 10% of Coverage C or \$1,000, whichever is greater. This limit may be increased up to 25% of the Coverage C Limit.

Use endorsement **HO0450**.

VII.25 Landlord's Furnishings

- A. Basic Limit-**Forms HO0003 and HO0005 automatically cover, on a named perils basis (except Theft), landlord furnishings in an apartment on the residence premises regularly rented or held for rental. The basic limit per apartment is \$2,500.
- B. Increased Limit-**The basic limit of \$2,500 may be increased in increments of \$500 up to a total of \$10,000 per apartment. The increased limit applies to the same perils that applies to the basic limit and may vary by rented unit.

Note: Coverage is available with the HO0003 and HO0005 forms only

Use endorsement **HO0546**.

VII.26 Livestock Collision Coverage

- A.** Coverage is provided on a named peril basis for livestock owned by the insured. Livestock is defined as alpacas, cattle, sheep, swine, goats, horses, llamas, mules and donkeys.
- B.** The most we will pay for loss caused by death is \$400 per animal.
- C.** Only available with Farmers Personal Liability Coverage.
- D.** No deductible applies to this coverage.

Use endorsement **FI0452**.

VII.27 Loss Assessment Supplement

A. Residence Premises

1. Coverage Description

Standard automatically provides, under Section I Additional Coverage and Section II Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake. Protection Plus offers \$5,000 and Premier provides \$10,000 under Section I Additional Coverage and Section II Additional Coverage.

2. Higher Limits

The policy may be endorsed to provide a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:

- a.** Either Section I Additional Coverage or Section II Additional Coverage; or
- b.** Both Section I and Section II Additional Coverages.

B. Additional Locations

- 1.** The policy may be endorsed to provide loss assessment coverage pertaining to additional locations for the insured’s share of loss assessments arising out of a single loss covered as noted in paragraph A.2.
- 2.** No more than 2 additional locations can be written in addition to the residence premises.

Limit options:

Loss Assessment Supplement
\$5,000
\$10,000
\$15,000
\$25,000
\$50,000

Use endorsement **H00435**.

VII.28 Loss Assessment Earthquake Coverage

When the policy is extended to cover loss assessment resulting from loss by earthquake, the Limit of Liability shall be the same limit that was selected for Loss Assessment Supplemental coverage. Additionally, the deductible will match the deductible selected for Earthquake coverage. There is a base deductible of 5% for earthquake coverage.

No more than two additional locations can be written in addition to the residence premises. Loss Assessment Supplemental Coverage and Earthquake coverage must both be elected in order to select this coverage

Note: Coverage is not available unless Earthquake is provided on the primary residence.

Available deductible options:

Additional Optional Deductible Percentages
10%
15%
20%
25%

Limit options:

Loss Assessment Supplement
\$5,000
\$10,000
\$15,000
\$25,000
\$50,000

Use endorsement **HO0436**.

VII.29 Ordinance or Law Coverage

A. Basic Limit

The basic policy automatically provides up to 10% of the Coverage A limit of liability for forms HO0003 and HO0005; for Form HO0004 -- 10% of the Building Additions and Alterations limit and for HO0006, 10% of the coverage A limit; to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount of Coverage

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to ordinance or law.

The Ordinance or Law coverage can be increased to 25% or 50% of Coverage A. In the Premier package only the 50% option is offered since 25% is included in the package.

Use endorsement **HO0477**.

VII.30 Other Members of a Named Insured Household

- A.** The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.
- B.** The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.
- C.** All coverages and provisions under Section I and II of the policy that apply to insureds also apply to the person described in Paragraph 1, except Coverages A, B and D (Fair Rental Value only).

Use endorsement **HO0458**.

VII.31 Other Structures – Specific Structures Away from the Residence Premises

This endorsement extends property and liability coverage to other structures away from the residence premises which are not used as a dwelling or capable of being used as a dwelling; for business; or held for rental. Other structures that may be covered include items such as but not limited to permanently attached boat docks, boat lifts and outbuildings used to store equipment or farm property. Minimum coverage amount is \$5,000.

Use endorsement **FI0492**.

VII.32 Other Structures – Structures Rented to Others – Residence Premises

The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes. Rented to others for dwelling purposes – each structure is rated separately.

Note: Coverage **E** and **F** are applied per structure.

Use endorsement **HO0440** (All Forms).

VII.33 Permitted Incidental Occupancies – Other Residence

The policy may be endorsed to provide liability coverage for a permitted incidental occupancy in *another residence* occupied by the insured. No professional liability coverage is provided.

ELIGIBLE RISKS – HO0442 and HO2443:

- Business offices for accountants, attorneys, bookkeepers, engineers, contractors, real estate agents, salespersons, and other business persons and business owners. The office should be incidental to the insured location as a residence and preferably secondary to a main office at another location. Activities in this office should be limited to paperwork and phone calls with little access by the general public.
- Teachers, such as music or general tutoring. The most preferred risk would be as a part-time activity involving only one student at a time.
- Photography and videography studios may be acceptable as long as the level of public traffic in and out of the house and the amount of laboratory work is limited.
- Sewing and alterations may be acceptable on a limited basis.
- Beauty and barber shops should contain no more than two chairs with no employees. These risks should not involve tanning beds.
- Pet and animal grooming should be on a part-time basis and not involve boarding or breeding.
- Cake decorating may be acceptable if on a part-time basis.
- Individuals selling jewelry, cosmetics or crafts out of their home may be acceptable, if the number of sales parties held in the home and the level of public traffic in and out of the home is limited. The amount of business property in storage or held as a sample or for sale or delivery after sale should not represent more than 10% of the total Coverage C limit.

INELIGIBLE RISKS – HO0442 and HO2443:

- Automobile mechanics, body work, and painting.
- Caterers and bakeries.
- Florists and nurseries.
- Boutiques and shops.
- Doctors and dentists offices, and any other health related services (e.g. chiropractors, massage therapists, etc.).
- Television, appliance, lawnmower, bicycle and other repair shops.
- Home daycare services (refer to HO0497 endorsement).

Use endorsement **HO2443**.

VII.34 Permitted Incidental Occupancies – Residence Premises

Coverage for permitted incidental occupancy is limited under section I and excluded under section II. The policy may be endorsed to expand Section I coverage and section II coverage on a permitted incidental occupancy on the *residence premises* or in *another structure* on the residence premises.

See Eligibility Guidelines above – Permitted Incidental Occupancies - Other Residence

Use endorsement **HO0442**.

VII.35 Personal Injury Coverage Endorsement

Liability coverage for Personal Injury to others, such as false arrest, malicious prosecution, wrongful eviction, slander, libel, or violations of right of privacy, may be added to the Homeowners Policy.

Electable with the standard product offering.

Use endorsement **HO2450**.

VII.36 Personal Property Replacement Cost Loss Settlement

The policy provides loss settlement on an Actual Cash Value basis for certain types of property. The policy may be endorsed to provide loss settlement on a Replacement Cost Basis for such property. This will include property covered on a scheduled basis, but will not include personal property listed under Blanket Personal Property FI2685.

A. Loss Settlement Option-Scheduled Personal Property with FI2303

When the **Scheduled Personal Property Endorsement (FI2303)** is attached to a policy with **Personal Property Replacement Cost loss settlement – Texas (FI2304)**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- 1.** Jewelry;
- 2.** Jewelry while stored in a safe or vault at described location;
- 3.** Furs and garments trimmed with fur or consisting principally of fur;
- 4.** Cameras, projection machines, films and related articles of equipment;
- 5.** Musical instruments and related articles of equipment;
- 6.** Silverware, Silver-plated ware, Goldware, Gold-plated ware and Pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry;
- 7.** Golfer's equipment meaning golf clubs, golf clothing and golf equipment.
- 8.** Fine Arts;
- 9.** Postage Stamps;
- 10.** Rare and current coins;
- 11.** Bicycles;
- 12.** Gun Collectors Coverage (not fired);
- 13.** Gun Coverage (fired);
- 14.** Collectibles;
- 15.** Sports Equipment;
- 16.** Hearing Aids;

VII.36 Personal Property Replacement Cost Loss Settlement (Continued)

Since the loss settlement condition in Endorsement **FI203** will pay the insured the least of the following:

1. Actual cash value of the property sustaining loss;
2. The amount for which the property could be repaired or replaced; or
3. The amount of insurance of the property sustaining loss; the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

The limit of liability that applies to each scheduled item should be carefully evaluated to insure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

B. Loss Settlement Option-Scheduled Personal Property with Agreed Value FI460

When **Scheduled Personal Property – Jewelry – With Agreed Value Loss Settlement Endorsement FI460** is attached to the policy with Replacement Cost Personal Property, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

Use endorsement **FI2304**.

VII.37 Premier – Condominium Coverages Endorsement

HO 0006 Unit Owners Form is included in the base **Premier Offering** for condominium unit owners. With the addition of the **Premier Condominium Endorsement – FI281TX**, open perils coverage is provided for the insured's contents

This form is a specially created package of coverages designed to be a convenient option for your condominium-owning customers. Included in this package of coverages are the following:

- Personal Injury Liability
- Unit Owners Coverage A-Special Coverage-Open Perils Buildings
- Unit Owners Special Coverage-Open Peril Coverage on Personal Property
- Replacement Cost Coverage-Personal Property
- Specified Additional Amount of Insurance-Coverage A-25% (if Functional Replacement Cost Loss Settlement is not selected)
- \$1,000 on Money
- \$5,000 on Securities
- \$2,000 on watercraft including trailers
- \$3,000 on trailers not used with watercraft
- \$2,500 per article for jewelry, watches and furs; \$5,000 per occurrence
- \$10,000 for loss by theft, misplacing or losing of firearms and related equipment
- \$10,000 per occurrence for loss to silverware
- \$10,000 on property on the "residence premises" used primarily for "business purposes"
- \$2,000 for business property away from the premises-\$10,000 for computer equipment
- \$2,000 for electronic apparatus while in or upon a motor vehicle not used in business
- \$2,000 for electronic apparatus not in or upon a motor vehicle used for business purposes
- Vault Coverage-up to \$25,000 coverage for securities, jewelry and silverware
- Service Vehicle Coverage broadened for Section I and II
- Loss of Use Coverage-no dollar limit for a maximum of 24 months
- Debris removal-unlimited expense on certain property for any one tree
- Debris removal has been broadened
- Trees, Shrubs and Plants has been broadened to \$1,000
- Fire Department Service Charge-\$1,000
- Credit Card, Transfer Card \$10,000
- Loss Assessment Coverage-Section I or Section II \$10,000

VII.37 Premier – Condominium Coverages Endorsement (Continued)

- ❑ Ordinance or Law Coverage increased to 25% of the Coverage A limit
- ❑ \$5,000 Damage by Birds, Vermin or Rodents included if no infestation or nesting evident
- ❑ Freezer Contents-\$1,000 with special \$50 deductible
- ❑ Lock Replacement-\$500 per loss \$1,000 per term
- ❑ Rented Golf Cart-physical damage \$5,000
- ❑ Arson, Fraud or Theft Rewards Coverage-up to \$1,000
- ❑ Golf Cart Liability to and from golf course
- ❑ Outboard Motor Liability with 75 or less total horsepower
- ❑ Waterbed Liability
- ❑ \$100,000 Volunteer Wrongful Acts Coverage
- ❑ HomeXtended (EX199)
- ❑ Identity Fraud Expense Coverage - \$15,000 (HO4297)

Miscellaneous Endorsements

See the Optional Coverages section in the Homeowner Manual for many more options to further customize each policy to the insured's individual needs.

VII.38 Premier – Homeowner Coverages Endorsement

HO 0003 or HO 0005 Comprehensive Form can be chosen to be included in the base **Premier Offering** for owner's forms. This form provides open perils coverage on buildings and contents (personal property).

PREMIER ENDORSEMENT – FI 280TX – INCLUDED

This form is a specially created package of coverages designed to be a convenient option for your home-owning customers. Included in this package of coverages are the following:

- Personal Injury Liability
- Coverage B limit is increased to 20% of Coverage A
- Coverage C limit is increased to 75% of Coverage A
- Replacement Cost Coverage-Personal Property
- Specified Additional Amount of Insurance-Coverage A-25% (if Functional Replacement Cost Loss Settlement is not selected)
- \$1,000 on Money
- \$5,000 on Securities
- \$2,000 on watercraft including trailers
- \$3,000 on trailers not used with watercraft
- \$2,500 per article for jewelry, watches and furs; \$5,000 per occurrence
- \$10,000 for loss by theft, misplacing or losing of firearms and related equipment
- \$10,000 per occurrence for loss to silverware
- \$10,000 on property on the "residence premises" used primarily for "business purposes"
- \$2,000 for business property away from the premises-\$10,000 for computer equipment
- \$2,000 for electronic apparatus while in or upon a motor vehicle not used in business
- \$1,500 for electronic apparatus not in or upon a motor vehicle used for business purposes
- Vault Coverage-up to \$25,000 coverage for securities, jewelry and silverware
- Service Vehicle Coverage broadened for Section I and II
- Loss of Use Coverage-no dollar limit for a maximum of 24 months
- Debris removal-unlimited expense on certain property
- Debris removal has been broadened
- Trees, Shrubs and Plants has been broadened to \$1,000 per tree
- Fire Department Service Charge-\$1,000
- Credit Card, Transfer Card \$10,000
- Loss Assessment Coverage-Section I or Section II \$10,000

VII.38 Premier – Homeowner Coverages Endorsement (Continued)

- ❑ Ordinance or Law Coverage increased to 25% of the Coverage A limit
- ❑ \$5,000 Damage by Birds, Vermin or Rodents included if no infestation or nesting evident
- ❑ Freezer Contents-\$1,000 with special \$50 deductible
- ❑ Lock Replacement-\$500 per loss \$1,000 per term
- ❑ Rented Golf Cart-physical damage \$5,000
- ❑ Arson, Fraud or Theft Rewards Coverage-up to \$1,000
- ❑ Golf Cart Liability to and from golf course
- ❑ Outboard Motor Liability with 75 or less total horsepower
- ❑ Waterbed Liability
- ❑ \$100,000 Volunteer Wrongful Acts Coverage
- ❑ Land Restoration Coverage-up to \$5,000 for required excavation, replacement or stabilization
- ❑ HomeXtended (EX199)
- ❑ Identity Fraud Expense Coverage - \$15,000 (HO4297)

Miscellaneous Endorsements See the Optional Coverages section in the Homeowner Manual for many more options to further customize each policy to the insured's individual needs.

VII.39 Premier – Renter Coverages Endorsement

HO 0004 Contents Broad Form is included in the base **Premier Offering** for tenant renters forms. With the addition of the **Premier Option Renters Endorsement – FI282**, open perils coverage is provided for the insured's contents.

PREMIER RENTERS FORM – FI-282TX – INCLUDED

This form is a specially created package of coverages designed to be a convenient option for your tenant homeowner customers. Included in this package of coverages are the following:

- ❑ Personal Injury Liability
- ❑ Replacement Cost Coverage-Personal Property
- ❑ \$1,000 on Money
- ❑ \$5,000 on Securities
- ❑ \$2,000 on watercraft including trailers
- ❑ \$3,000 on trailers not used with watercraft
- ❑ \$2,500 per article for jewelry, watches and furs; \$5,000 per occurrence
- ❑ \$10,000 for loss by theft, misplacing or losing of firearms and related equipment
- ❑ \$10,000 per occurrence for loss to silverware
- ❑ \$10,000 on property on the "residence premises" used primarily for "business purposes"
- ❑ \$2,000 for business property away from the premises-\$10,000 for computer equipment
- ❑ \$2,000 for electronic apparatus while in or upon a motor vehicle not used in business
- ❑ \$2,000 for electronic apparatus not in or upon a motor vehicle used for business purposes
- ❑ Vault Coverage-up to \$25,000 coverage for securities, jewelry and silverware
- ❑ Service Vehicle Coverage broadened for Section I and II
- ❑ Renter's Special Coverage-Open Peril Coverage on Personal Property
- ❑ Additional Living Expense/Fair Rental Value has been broadened
- ❑ Loss of Use Coverage-no dollar limit for a maximum of 24 months
- ❑ Debris removal-unlimited expense on certain property
- ❑ Debris removal has been broadened
- ❑ Trees, Shrubs and Plants has been broadened to \$1,000 per tree
- ❑ Fire Department Service Charge-\$1,000
- ❑ Credit Card, Transfer Card \$10,000
- ❑ Loss Assessment Coverage-Section I or Section II \$10,000
- ❑ Ordinance or Law Coverage increased to 25% of the Coverage A limit
- ❑ \$5,000 Damage by Birds, Vermin or Rodents included if no infestation or nesting evident
- ❑ Freezer Contents-\$1,000 with special \$50 deductible

VII.39 Premier – Renter Coverages Endorsement (Continued)

- ❑ Lock Replacement-\$500 per loss \$1,000 per term
- ❑ Rented Golf Cart-physical damage \$5,000
- ❑ Arson, Fraud or Theft Rewards Coverage-up to \$1,000
- ❑ Golf Cart Liability to and from golf course
- ❑ Outboard Motor Liability with 75 or less total horsepower
- ❑ Waterbed Liability
- ❑ \$100,000 Volunteer Wrongful Acts Coverage
- ❑ HomeXtended (EX199)
- ❑ Identity Fraud Expense Coverage - \$15,000 (HO4297)

Miscellaneous Endorsements

See the Optional Coverages section in the Homeowner Manual for many more options to further customize each policy to the insured's individual needs.

VII.40 Protection Plus – Condominium Coverages Endorsement

HO 0006 Unit Owners Form is included in the base **Protection Plus Offering** for condominium unit owners. This form provides named perils coverage for the insured's building and contents.

HOMEOWNERS PROTECTION PLUS CONDOMINIUM ENDORSEMENT – FI-271TX

This form is a specially created package of coverages designed to be a convenient option for your condominium-owning customers. Included in this package of coverages are the following:

- Personal Injury Liability
- Unit Owners Coverage A-Special Coverage
- Replacement Cost Coverage-Personal Property
- Specified Additional Amount of Insurance-Coverage A-25% (if Functional Replacement Cost Loss Settlement is not selected)
- \$250 on Money
- \$2,000 on Securities
- \$2,000 on watercraft including trailers
- \$2,000 on trailers not used with watercraft
- \$2,000 per article for jewelry, watches and furs; \$3,000 per occurrence
- \$3,000 per occurrence for loss to silverware
- \$2,500 for business property away from the premises which is "computer equipment"
- \$10,000 for loss by theft, misplacing or losing of firearms and related equipment
- Service Vehicle Coverage broadened for Section I and II
- Debris removal has been broadened
- Trees, Shrubs and Plants has been broadened to \$750
- Fire Department Service Charge-\$1,000
- Credit Card, Transfer Card \$3,000
- Loss Assessment Coverage-Section I or Section II \$5,000
- Freezer Contents-\$1,000 with special \$50 deductible
- Lock Replacement-\$250 per loss \$500 per term
- Rented Golf Cart-physical damage-\$5,000
- Arson, Fraud or Theft Rewards Coverage-up to \$1,000
- Golf Cart Liability to and from golf course
- Outboard Motor Liability with 75 or less total horsepower
- Waterbed Liability
- Identity Fraud Expense Coverage - \$15,000 (HO4297)

VII.40 Protection Plus – Condominium Coverages Endorsement (Continued)

Miscellaneous Endorsements

See the Optional Coverages section in the Homeowner Manual for many more options to further customize each policy to the insured's individual needs.

VII.41 Protection Plus – Homeowner Coverages Endorsement

HO 0003 Special Form or HO 0005 Comprehensive Form can be chosen to be included in the base **Protection Plus Offering** for owner's forms. This HO 0003 form provides open perils coverage on dwellings and other structures and named perils coverage on contents. The Comprehensive Form – HO 0005 – provides open perils coverage on building and contents (personal Property).

PROTECTION PLUS ENDORSEMENT – FI 270TX (HO0003 or HO0005 only)

This form is a specially created package of coverages designed to be a convenient option for your home- owning customers. Included in this package of coverages are the following:

- ❑ Personal Injury Liability
- ❑ Coverage C limit is increased to 70% of Coverage A
- ❑ Specified Additional Amount of Insurance-Coverage A-25% (if Functional Replacement Cost Loss Settlement is not selected)
- ❑ Replacement Cost Coverage-Personal Property
- ❑ \$250 on Money
- ❑ \$2,000 on Securities
- ❑ \$2,000 on watercraft including trailers
- ❑ \$2,000 on trailers not used with watercraft
- ❑ \$2,000 per article for jewelry, watches and furs; \$3,000 per occurrence
- ❑ \$3,000 per occurrence for loss to silverware
- ❑ \$2,500 for business property away from the premises which is "computer equipment"
- ❑ \$10,000 for loss by theft, misplacing or losing of firearms and related equipment
- ❑ Service Vehicle Coverage broadened for Section I and II
- ❑ Debris removal has been broadened
- ❑ Trees, Shrubs and Plants has been broadened to \$750
- ❑ Fire Department Service Charge-\$1,000
- ❑ Credit Card, Transfer Card \$3,000
- ❑ Loss Assessment Coverage-Section I or Section II \$5,000
- ❑ Freezer Contents-\$1,000 with special \$50 deductible
- ❑ Lock Replacement-\$250 per loss \$500 per term
- ❑ Rented Golf Cart-physical damage-\$5,000
- ❑ Arson, Fraud or Theft Rewards Coverage-up to \$1,000
- ❑ Golf Cart Liability to and from golf course
- ❑ Outboard Motor Liability with 75 or less total horsepower
- ❑ Waterbed Liability
- ❑ Identity Fraud Expense Coverage - \$15,000 (HO4297)

VII.41 Protection Plus – Homeowner Coverages Endorsement (Continued)

Miscellaneous Endorsements

See the Optional Coverages section in the Homeowner Manual for many more options to further customize each policy to the insured's individual needs.

VII.42 Protection Plus – Renter Coverages Endorsement

HO0004 Contents Broad Form is included in the base **Protection Plus Offering** for tenant renter's forms. This form provides named perils coverage for the insured's contents.

HOMEOWNERS PROTECTION PLUS RENTER'S ENDORSEMENT – FI-272TX – INCLUDED

This form is a specially created package of coverages designed to be a convenient option for your tenant homeowner customers. Included in this package of coverages are the following:

- Personal Injury Liability
- Replacement Cost Coverage-Personal Property
- \$250 on Money
- \$2,000 on Securities
- \$2,000 on watercraft including trailers
- \$2,000 on trailers not used with watercraft
- \$2,000 per article for jewelry, watches and furs; \$3,000 per occurrence
- \$3,000 per occurrence for loss to silverware
- \$2,500 for business property away from the premises which is "computer equipment"
- \$10,000 for loss by theft, misplacing or losing of firearms and related equipment
- Service Vehicle Coverage broadened for Section I and II
- Debris removal has been broadened
- Trees, Shrubs and Plants has been broadened to \$750 per tree
- Fire Department Service Charge-\$1,000
- Credit Card, Transfer Card \$3,000
- Loss Assessment Coverage-Section I or Section II \$5,000
- Freezer Contents-\$1,000 with special \$50 deductible
- Lock Replacement-\$250 per loss \$500 per term
- Incidental Low Power Recreational Motor Vehicle Coverage up to 15 mile per hour
- Rented Golf Cart-physical damage-\$5,000
- Arson, Fraud or Theft Rewards Coverage-up to \$1,000
- Golf Cart Liability to and from golf course
- Outboard Motor Liability with 75 or less total horsepower
- Waterbed Liability
- Identity Fraud Expense Coverage - \$15,000 (HO4297)

VII.42 Protection Plus – Renter Coverages Endorsement (Continued)

Special Personal Property Coverage Form – HO0524 (HO0004 Only)

This form can be added to the Protection Plus – Renters Coverage Endorsement to extend open perils coverage to contents.

Miscellaneous Endorsements

See the Optional Coverages section in the Homeowner Manual for many more options to further customize each policy to the insured's individual needs.

VII.43 Refrigerated Personal Property

- A.** The policy may be endorsed to provide \$500 of covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure. Only available with our standard product.
- B.** A deductible of \$100 applies.

This coverage is provided in the Protection Plus and Premier Coverage options.

Use endorsement **HO0498**.

VII.44 Replacement Cost Loss Settlement for Certain Non-Building Structures

- A.** The policy provides actual cash value loss settlement for non-building structures covered under Coverage B or specifically scheduled under the policy.
- B.** The policy may be endorsed to provide repair or replacement cost loss settlement for the following types of non-building structures only if they are located ***on the residence premises***:
- 1.** Reinforced masonry walls;
 - 2.** Metal or fiberglass fences;
 - 3.** Fences made of plastic/resin materials such as polyvinyl chloride;
 - 4.** Patios, walks (not made of wood or wood products); and
 - 5.** Driveways
 - 6.** Inground or semi-inground swimming pools, therapeutic baths; or hot tubs.

Note: This loss settlement condition applies only to Coverage B on the residence premises. This is not available with forms HO0004 or HO0006

Use endorsement **HO0443**.

VII.45 Residence Employees

- A.** Charges do not apply to employees working less than half of the customary full time or to whom worker's compensation exclusion applies as stated in the Liability Coverage Section of the policy.
- B.** There is no additional charge for up to two residence employees per household.

VII.46 Scheduled Personal Property

Shown below are the classes of Personal Property which may be added to a Homeowners Policy by attaching Scheduled Personal Property Endorsement FI2303. This form provides open perils coverage for physical loss or damage, with a few exceptions. We require a complete detailed description of all Scheduled Personal Property regardless of value. For jewelry, furs, gun collections (not fired) and fine arts, any items valued at \$10,000 or more will require an appraisal capturing a complete description of the item(s). For other categories of scheduled items, if the value is \$10,000 or more, a bill of sale is required.

CATEGORIES	DESCRIPTION
JEWELRY	<p>This class covers personal jewelry anywhere in the world. On any one item with a value of at least \$10,000 and over, we require an acceptable appraisal. Total scheduled values for jewelry cannot exceed the Coverage A limit or \$1,000,000 - whichever is less.</p>
JEWELRY IN VAULTS	<p>Specific items of scheduled jewelry which are kept in a vault in a bank may be insured. The Company must be notified in advance of removal from the vault and a pro-rata additional premium is charged for the period the jewelry is not vaulted. Use endorsement FI2303 – Scheduled Personal Property.</p>
JEWELRY AGREED VALUE	<p>Agreed Value-The policy may be endorsed to cover jewelry at an agreed value. This amount will be shown on the Declarations Page.</p> <p>Note: On any one item with a value of at least \$10,000 or more, we require an acceptable appraisal. Total scheduled values for agreed value jewelry cannot exceed the Coverage A limit or \$1,000,000 - whichever is less.</p>
JEWELRY IN VAULTS	<p>Neither the Property Coverage Section deductible, as shown on the Declarations Page, nor the provisions of the FI2303 apply to this coverage.</p> <p>Use endorsement Scheduled Personal Property – Agreed Value – FI460. Please indicate in the remarks section of the Homeowners application – Agreed Value Jewelry – FI460.</p> <p>Specific items of scheduled jewelry which are kept in a vault in a bank may be insured. The Company must be notified in advance of removal from the vault and a pro-rata additional premium is charged for the period the jewelry is not vaulted. Use endorsement Scheduled Personal Property – Agreed Value – FI460.</p>

VII.46 Scheduled Personal Property (Continued)

CATEGORIES	DESCRIPTION
FURS	This class covers fur garments and garments trimmed with fur anywhere in the world. This coverage does not include artificial furs of man-made fabrics. On any one item with a value of at least \$10,000 and over, we require a copy of the bill of sale or an acceptable appraisal. Total scheduled values for furs cannot exceed \$100,000.
CAMERAS	This class covers personal cameras and related equipment anywhere in the world. Total scheduled values for cameras cannot exceed \$100,000. We will require a bill of sale for any item valued at \$10,000 or more. (Non-professional use only)
MUSICAL INSTRUMENTS	This class covers personal musical instruments without restriction as to location. Organs not of a mobile nature are excluded. Total scheduled values of musical instruments cannot exceed \$200,000. We will require a bill of sale for any item over \$10,000. Sub-classes available are: Non-professional use Professional Use
SILVERWARE	This class covers silverware, silver-plated ware, Goldware, Gold-plated ware and Pewterware anywhere in the world. Total scheduled values for silverward cannot exceed \$100,000. We will require a bill of sale for any item over \$10,000.
GOLFERS EQUIPMENT	This class covers golf clubs, golf clothing and golf equipment, excluding motorized carts. The coverage is provided wherever the property may be located. Total scheduled values for golfers equipment cannot exceed \$100,000. We will require a bill of sale for any item with a value of \$10,000 or more.
FINE ARTS	This class covers fine arts and antiques, such as paintings, statuary, tapestries, rare books and numerous other collector type items. Coverage is limited to a named location. Items valued in excess of \$10,000 must be accompanied by an acceptable appraisal. Total scheduled values for fine arts cannot exceed \$100,000. Sub-classes available are: Fine Arts Without Breakage Fine Arts With Breakage
POSTAGE STAMPS	This class covers a collection of postage stamps, including due, envelope, official, revenue, match and medicine stamps, locals, reprints, essays, proofs and other philatelic property. Total scheduled values for postage stamps cannot exceed \$100,000. We will require a bill of sale for any item over \$10,000. The coverage is extended to cover wherever the property may be located.
RARE AND CURRENT COINS	This class covers a collection of coins, medals, paper money, bank notes and other numismatic property. The coverage applies anywhere in the world. Total scheduled values for rare and current coins cannot exceed \$100,000. We will require a bill of sale for any item over \$10,000.

VII.46 Scheduled Personal Property (Continued)

CATEGORIES	DESCRIPTION
BICYCLES	Losses of \$5 or less are not covered. Require a bill of sale for any one scheduled item with a value of \$10,000 or greater.
SPORTING EQUIPMENT	This class covers scheduled sporting equipment such as skiing, fishing, archery, scuba, camping excluding golfer's equipment. Total scheduled values for sporting equipment cannot exceed \$100,000. We will require a bill of sale for any item over \$10,000.
COLLECTIBLES	Options available: Without breakage With breakage Total scheduled values for collectibles cannot exceed \$200,000. A bill of sale is required for any item with a value of \$10,000 or more.
HEARING AIDS	Use endorsement Scheduled Personal Property – FI2303 . We will require a bill of sale for any item with a value of \$10,000 or more.
Guns	Firearms options available: No Field Use – use Gun Collectors' Coverage (not fired). Items valued in excess of \$10,000 must be accompanied by an acceptable appraisal. Total scheduled values for firearms cannot exceed \$250,000. Firearms Used for Hunting and Field Use – use Gun Coverage (fired)

VII.47 Sinkhole Collapse

The policy may be endorsed to cover sinkhole collapse. This endorsement is available on homeowner HO0003 and HO0005 forms and provides coverage for physical damage arising out of or caused by sudden settlement or collapse of the earth supporting such property. The settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formations.

Note: The earth movement exclusion does not apply to sinkhole collapse.

Use endorsement **HO0499**.

VII.48 Special Computer Coverage - Texas

The policy may be endorsed to insure computers and related equipment against risks of physical loss (open peril) subject to certain exclusions.

This coverage is already provided in the Premier Coverage Offerings.

Use endorsement **HO0472**.

VII.49 Special Personal Property Coverage

Coverage C – Personal Property under the HO-0004 Contents Broad Form is insured under a named perils basis. The policy may be broadened to insure Coverage C against additional risks on an open peril basis subject to certain exclusions.

Note: If the **F1282TX** endorsement is attached to the policy, do not attach this endorsement since Open Perils Coverage C is already provided in the form.

Use endorsement **H00561**.

VII.50 Student Living Away from Residence Premises

- A.** The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:
 - 1.** 24 and a relative of the named insured; or
 - 2.** 21 and in the care of the named insured or a resident relative.
- B.** The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school. For example, part time students or students older than 24.

Use endorsement **HO0527**.

VII.51 Theft - Dwelling Under Construction & Theft of Building Materials

All forms except HO0004 or HO0006

Theft coverage for personal property and building materials and supplies may be provided by attaching the **Theft – Dwelling Under Construction endorsement – FI50** to the policy. A \$500 deductible applies to this coverage.

Available coverage options:

\$5,000
\$10,000
\$15,000
\$20,000
\$25,000
\$50,000

Use endorsement **FI50**.

VII.52 Trust Endorsement

A Homeowners Policy may be endorsed to insure a trustee, and if applicable, a trust:

- A.** Under Section **I** – Property Coverages, for any insurable interest in the dwelling or other structure held in trust; and
- B.** Under Section **II** – Liability Coverages, for bodily injury or property damage liability arising out of the ownership, maintenance or use of an insured location held in trust.

Use endorsement **HO0615**.

The following must be shown in the endorsement

- The name and address of the Trust; and
- The name and address of the trustee(s)

The Trust may also be listed as an Insured if the Trust can be recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction.

VII.53 Unit Owners Coverage A Special Coverage - Texas

The Property Coverage Section I Perils Insured Against may be broadened for Coverage A to cover additional risks of loss. This changes the loss provisions from a named peril basis to an open peril basis.

Electable in the Standard product offering for condominium HO6 policies.

Use endorsement **HO1791**.

VII.54 Unit Owners Coverage C Special Coverage - Texas

Coverage C – Personal Property under the HO 0006 Unit Owners Form is insured under a named perils basis. The policy may be broadened to insure Coverage C against additional risks on an open peril basis subject to certain exclusions.

This option may only be used when the condominium or cooperative unit is owner occupied and not rented to others.

Electable in the Standard and Protection Plus product offerings for condominium HO6 policies.

Use endorsement **HO1790**.

VII.55 Unit Owners Rental to Others

Form HO 0006 and HO 0006 with the HO 1731 excludes Coverage C Personal Property and Liability Coverage Section when the residence premises is regularly rented or held for rental to others.

The policy may be endorsed to provide such coverage, including theft, subject to the unit being owner occupied at least as often as it is rented to others.

Electable in the Standard, Protection Plus and Premier product offerings for Condominium HO6 policies.

Use endorsement **HO1733**.

VII.56 Volunteer Wrongful Acts Coverage

- A.** Under the basic contract, there is no coverage for the insured(s) for volunteer wrongful acts liability for which they become legally responsible.
- B.** With the purchase of this endorsement, we will pay on behalf of an “insured” amounts an insured becomes legally responsible to pay because of civil claims made against them for a wrongful act. A wrongful act, in respect to this coverage, means actual or alleged error, misleading statement, act or omission, neglect or breach of duty committed by an “insured” during the policy period in the insureds capacity as a volunteer.
- C.** We do not cover volunteer activity of an insured involving an insured’s business or an organization for which an insured receives compensation or that requires the insured’s professional services.
- D.** Our limit of liability for this coverage is limited to \$100,000. This is the most we will pay for all liability arising out of a single wrongful act regardless of the number of insured’s or policy terms.
- E.** Refer to the endorsement and contract for exclusions, limitations and conditions of this coverage.
- F.** This endorsement is not available with the **FI280TX**, **FI281TX** or **FI282TX** since coverage is already provided in those forms.

Use endorsement **FI260**.

VII.57 Water Backup and Sump Overflow

- A.** The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.
- B.** The Homeowner policy may be endorsed to cover the peril of water which backs up through sewers or drains.
 - 1.** Coverage can be added at any time. A 15 day waiting period exists before coverage becomes effective. If a policy is written as new business and the prior policy afforded Water Back Up, the 15 day waiting period will be waived and coverage will be available from the inception of the State Auto Homeowners policy.
 - 2.** Coverage cannot be bound if a flood or flash flood watch or warning is in place.
 - 3.** A \$1,000 deductible applies to this coverage.

Coverage limit options:

\$5,000
\$10,000
\$25,000
\$50,000
\$100,000

Use endorsement **FI0469**.

VII.58 Water Damage Coverage

The policy does not provide coverage for losses caused by seepage or leakage of water or steam. However, a homeowner policy may be endorsed to provide the following coverage for water damage:

This endorsement provides coverage for deterioration, wet rot, or dry rot to property described in Coverage A, B and C caused by constant or repeated seepage or leakage of water or steam from within a plumbing, heating, air conditioning, automatic sprinkler system or household appliance.

The coverage includes the cost of tearing out and replacing any part of the building or covered property necessary to repair the system from which the water or steam escaped. The loss to the system or appliance from which the water or steam escaped is not covered.

There are distinct water damage coverage forms for the three different policy types. Use the appropriate form per the following table:

<u>POLICY TYPE</u>	<u>WATER DAMAGE COVERAGE FORM NUMBER</u>
Homeowner (form HO0003 & form HO0005)	HO0467 (05/11)
Condominium (form HO0006)	HO0483 (05/11)
Renter (form HO0004)	HO0434 (05/11)

The following rules apply:

- a. For homeowner (HO0003 & HO0005) policies the water damage form (HO0467) must be paired with Foundation coverage (HO0468).
- b. All three water damage forms are removable only at renewal.

VIII – Watercraft Section

VIII.1 General Rules

We are in the business of providing insurance. This statement implies that coverage will be available to a broad cross section of the public at a reasonable cost, and the expectation of profitable operation for both our Agents and the Company.

While it is our intention to establish a premium structure that will accommodate most potential policyholders, there are certain operator or watercraft characteristics that present such a propensity to loss that they cannot be accepted in our watercraft programs. The purpose of this guide is to help define these acceptability standards.

It is important to note that State Auto adheres to the spirit of any statutes pertaining to underwriting situations. Thus, to the extent any of the guidelines contained in this document are in conflict with applicable law, the guidelines should not be considered.

Beyond the general guidelines contained herein, we also recognize the importance of the agent's role in the underwriting process. By virtue of personal contact with all applicants, the agent is in a unique position to assess risk characteristics and exercise underwriting judgment.

Our watercraft programs are designed to complement our auto and homeowner programs by providing a market for our insured's who own a pleasure boat or yacht.

VIII.2 Binding Authority

The agent may bind coverage on any risk, which meets the eligibility guidelines, if:

- A.** The required application(s) and option selector(s) are fully completed, signed by the Named Insured and the Agent, and electronically received by the Company within seven (7) calendar days of the effective date of coverage.
- B.** The effective date will meet the following parameters from the original date quoted:
 - Forty-five (45) calendar days in advance
- C.** Any necessary documents, such as appraisals, bill of sale, certificates, etc. for verification purposes must be retained in the agent's file (unless noted in the specific rule) to be available for company audits.

VIII.3 Watercraft Coverage and Eligibility

Physical damage and liability coverages for watercraft may be provided by endorsement to the Homeowner Policy in accordance with the guidelines outlined on the following pages. All watercraft, motors and trailers must be fully described, including the model year, manufacturer, model, serial number, power type (if applicable), length (if applicable), top speed and horsepower (if applicable), with an individual amount of insurance shown for the item. Detached and detachable equipment may be totaled with a blanket amount of insurance.

A. Definitions

- 1. Watercraft** – all pleasure boats, regardless of power type or length, including personal watercraft, sailboats and yachts.
- 2. Pleasure boats** – all boats with a length of 26 feet or less, including personal watercraft

B. Eligibility

1. Type of watercraft – The following vessels are ineligible:

- a.** Amphibicars or amphibious vehicles.
- b.** Watercraft with automobile engine conversions (unless factory installed).
- c.** Home built or kit watercraft.
- d.** Marsh craft (Air Propeller watercraft).
- e.** Submarine type watercraft.
- f.** Watercraft with motors that exceed the manufacturer’s recommended horsepower for the

2. Use of watercraft – The following vessels are ineligible:

- a.** Watercraft chartered, rented to others, or utilized for any commercial or business purpose.
- b.** Watercraft held for sale.
- c.** Watercraft stored in unsupervised areas.
- d.** Watercraft operated outside of the following boundaries: the inland waters of the forty-eight contiguous states of the U.S., the District of Columbia, the Dominion of Canada, and the Atlantic and Gulf Coastal waters within a 12-mile limit of the coast.

3. Ownership of watercraft – The following are ineligible:

- a.** Watercraft titled in the name of a business, with the exception of a Limited Liability Company (LLC).

C. Exclusions – Liability and physical damage coverages do not apply while any Personal Watercraft described in this policy is engaged in competing, practicing or preparing for any prearranged race, competitive speed or mobility contest or any other racing activity. Please refer to the racing exclusion in the Homeowners Pleasure Boat Endorsement.

VIII.3 Watercraft Coverage and Eligibility (Continued)

D. Operators

This section applies to Pleasure Boats, Personal Watercraft and Yachts:

- 1. Age** – the principal operator must be at least 21 years of age for boats under 26 feet, or 25 years of age for boats over 26 feet.
- 2. Experience** – the principal operator must have at least two years of experience or equivalent training operating this type and size of watercraft.
- 3. Driving Record** – the three year driving records of all operators in the household are considered. There must be:
 - a.** No major moving violations
 - b.** No more than 3 or more minor or moderate violations per person.
 - c.** No more than 2 at-fault accidents per person
 - d.** No more than 4 minor or moderate violations/at-fault accidents per household.
 - e.** No operator under 21 years of age with an at-fault accident.
 - f.** No one under 21 with more than one minor or moderate violation
 - g.** The license status of watercraft operator cannot be invalid, suspended, revoked or cancelled.
 - h.** The license type of a watercraft operator cannot be a Foreign Drivers License.

VIII.4 Optional Coverages

- A. Physical damage coverage for watercraft trailers** - Coverage can be purchased for the trailer of a covered watercraft. A \$100 deductible applies to trailers of pleasure boats and a \$250 deductible applies to trailers of yachts.
- B. Emergency service or towing and labor coverage** for disabled watercraft may be provided up to a maximum of \$2,500. Available limits are: \$500, \$1,000 and \$2,500.
- C. Sailboat Racing Buy-Back** - Racing coverage for loss or damage to the following sailboat components may be purchased: spars, spinnakers or sails. This option is available for pleasure boats only. Attach Sailboats (Racing Buy-back) Amendatory Endorsement.
- D. Broadened Navigational Territory Limits - Bahamas (Yacht Only)** - When a yacht is rated for Territory III, the coverage territory may be extended from 12 statute miles off the US coastline to include the navigable waters to and from the Bahaman Islands provided the trip originates and ends in the Atlantic and Gulf coastal waters.
- E. Increased Navigational Limits** - When a boat or yacht is rated for Territory III, the coverage territory may be extended from 12 statute miles of the coastline to 20 statute miles of the coastline for pleasure boats and to 50 statute miles of the coastline for yachts.

This coverage may be written only if:

- 1.** The captain/owner/operator is a full-time resident of the state/home port where the insured boat is moored.
- 2.** The captain/owner/operator is a member of the U.S. Power Squadron or U.S. Coast Guard Auxiliary and has successfully completed courses relating to navigation and seamanship.
- 3.** The captain/owner/operator has previous experience navigating beyond the 12 mile limit.
- 4.** The craft is equipped with a ship to shore radio, radar and LORAN equipment.
- 5.** The craft is equipped with at least twin engines, is rated for ocean use and is at least 20 feet in length.

Attach the applicable increased navigation territory endorsement:

Increased Navigational Limits (within 50 miles) – FI146

Increased Navigational Limits (within 20 miles) – FI148

VIII.4 Optional Coverages (Continued)

F. Additional Insured - Lessor - Coverage may be added to protect the interest of the lessor in cases where the insured's watercraft is leased.

Attach the **Additional Insured (Watercraft) Endorsement – FI149**

G. Miscellaneous Accessories/Detachable Equipment – Increased Limits (Pleasure Boat Only) - The basic policy limit of \$500 may be increased. Refer to the policy for a description of coverage. Indicate limit increase during the quoting process.

H. Additional Equipment (Yacht Only) – Coverage may be purchased for furniture and equipment needed for the maintenance and use of the yacht. Combine limit with yacht hull value.

I. Uninsured Watercraft Coverage – This optional coverage affords protection for compensatory damages which an insured person is legally entitled to recover from the owner or operator of an uninsured watercraft. Use form **WC0401**.

UM Limit Options:

\$10,000
\$25,000
\$50,000
\$100,000
\$200,000
\$300,000

VIII.5 Credits/Debits

The following credits are available for all watercraft unless indicated otherwise.

- A. Boating Course Credit** - An insured is eligible for this credit if he/she has completed a piloting/seamanship course offered by the U.S. Coast Guard Auxiliary or U.S. Power Squadron. Proof of successful completion is required.
- B. Membership Credit** - An insured is eligible for this credit if he/she is an active member of the U.S. Coast Guard Auxiliary or U.S. Power Squadron. Proof of membership is required.
- C. Fire Extinguishing System Credit** - This credit is applicable for those watercraft with approved, built-in fire extinguishing systems which automatically discharge upon detection of fire in the engine compartment. The credit does not apply to portable, hand-held fire extinguishers.
- D. Miscellaneous Safety Equipment** - Credits are given for miscellaneous safety equipment.

Qualifying devices include:

- Ship to Shore Radio
- Radar/Doppler/LORAN
- Sniffer/Fume Detector
- Depth Sounder/Fathometer/Sonar
- Radio Direction Finder
- Electric Cooking and Refrigeration Devices

- E. Reduced Navigation Period – (Yacht Only)** – Base premiums are calculated based on a seven (7) month navigation period, with the exception of Territory III, Atlantic and Gulf Coastal Waters where base premiums are calculated on a 12 month navigation period. This navigation period, whether seven (7) month or 12 month, may be reduced for a credit.
- F. Optional Deductibles** – The basic premiums are for a \$250 deductible. The following options are available:

Pleasure Boat – (Boat and Miscellaneous Equipment only – Applies to Physical Damage Only)

Yacht -- (Yacht, Equipment and Auxiliary Watercraft only—Applies to Physical Damage Only):

Deductible
\$ 500
\$1,000
\$2,500
\$5,000

VIII.5 Credits/Debits (Continued)

G. Multi-Policy Discount – This credit is available for insureds who have their automobile, dwelling fire, business auto, legacy home, seasonal/secondary or umbrella policy and homeowners policy written with the State Auto Insurance Companies.

The following debits apply to all watercraft unless indicated otherwise. **Pleasure Boats** –apply to hull and miscellaneous equipment premiums. **Yachts** – apply to hull, equipment and auxiliary watercraft premiums.

A. Increased Navigation Period (Yacht only) – Base premiums are calculated on a seven (7) month navigation period, with the exception of Territory III, Atlantic and Gulf Coastal Waters, where base premiums are calculated on a 12 month navigation period. This may be increased (except for territory III where base premiums already contemplate a 12 month navigation) for a premium debit.

VIII.6 Territory Definitions

<u>Territory Number</u>	<u>Description</u>
I	Waters of the Great Lakes
II	Inland Waters of the U.S. (excluding the Great Lakes, Ohio and Mississippi Rivers)
III	Atlantic and Gulf Coastal Waters (including the inland water tributaries) – within 12 statute miles of the coastline
IV	Ohio and Mississippi Rivers
V	Chesapeake Bay and its inland tributaries

Note: Please include all territories in which the watercraft is navigated. When two or more navigational territories apply, the highest rated territory will be used for rating. For yachts only, the declarations page must reflect the territory or territories in which the craft is operated.

VIII.7 Watercraft Liability

Liability coverage is ***included*** in the policy at no additional charge for the following watercraft.

- ❑ Watercraft owned by the insured and powered by one or more outboard motors 75 or less total horsepower; or, watercraft not owned by an insured and powered by one or more outboard motors regardless of horsepower
- ❑ Sailboats with or without auxiliary power less than 26 feet in length owned by or rented to the insured; or,
- ❑ Watercraft not owned by the insured with inboard or inboard-outdrive motor power with 50 or less total horsepower or;
- ❑ Any watercraft borrowed by the insured

For boats not described below, coverage is not permitted on the **FI2475** endorsement.

The premium in the state where the insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.

Accumulate total horsepower if two or more motors are regularly used together with any single watercraft owned by the insured.

A. Eligibility (Owned watercraft only)

- 1.** All watercraft, except sailboats, that are 26 feet or less in length with inboard or inboard-outdrive motors.
- 2.** Sailboats with or without auxiliary power over 26 feet or over in length.
- 3.** All watercraft up to 26 feet or less in length with outboard motor power more than 75 total horsepower

VIII.8 Pleasure Boat Endorsement

The pleasure boat endorsement applies to Outboard Motors and Boats, Inboard and Inboard/Outdrive Boats or Waterjet written subject to form **Homeowners Pleasure Boat Endorsement - FI254**. Please note that this form of coverage includes liability insurance, physical damage and medical payments coverage. When coverage is desired for Personal Watercraft, they must be insured on this form since, as an inboard craft, there is no coverage under the homeowners policy.

Physical damage coverage is available for Outboard Motors and Boats (including sailboats) 26 feet or less written subject to form **Homeowners Watercraft Physical Damage Endorsement - FI84**.

Note: Liability and Medical Payments Coverages may be written in any combination, but must be the same limits as provided under Homeowner Section II coverages.

VIII.9 Yacht Endorsement

This endorsement applies to yachts and sailboats greater than 26 feet written subject to form **Homeowners Yacht Endorsement – FI255**. Please note that this form of coverage includes liability insurance, physical damage and medical payments coverage.

Note: Liability and Medical Payments Coverages may be written in any combination, but must be the same limits as provided under Homeowner Section II coverages.

IX – Forms and Endorsement

FORM	EDITION	TITLE
BASE CONTRACTS		
HO0003	05 11	Homeowners 3- Special Form
HO0004	05 11	Homeowners 4-Contents Broad Form
HO0005	05 11	Homeowners 5-Comprehensive Form
HO0006	05 11	Homeowners 6 - Unit-Owners Form
MANDATORY FORMS		
AU303	01 13	Notices of the Policies and Practices of the Disclosure of Nonpublic Personal Information
AU677	06 15	Special Account Deductible Endorsement
DECOV-HO	01 16	Home Declarations Page
FI179TX	11 15	Lead and Pollution Exclusion Endorsement
FI2073	02 06	Amendment of Cancellation Provision
FI256	01 16	Your Homeowners Policy- <i>Cover Page</i>
FI256A	01 16	Your Homeowners Policy Quick Reference Guide
FI261	01 16	Amendment of Policy Provisions Service Vehicles
FI47	05 11	Outboard Motor Boat Liability Coverage
HO0142	05 11	Special Provisions - Texas
HO0445	05 11	Limited Fungi or Microbes Coverage - Texas
FI3524	01 16	Water Damage to Buildings Coverage Legal Liability (HO0004 only)
PROTECTION PLUS ENDORSEMENTS		
FI270TX	01 16	Protection Plus Coverages Endorsement - Texas
FI271TX	01 16	Protection Plus Condominium Coverages Endorsement - Texas
FI272TX	01 16	Protection Plus Renter's Coverages Endorsement - Texas
PREMIER ENDORSEMENTS		
FI280TX	01 16	Premier Coverages Endorsement - Texas
FI281TX	01 16	Premier Condominium Coverages Endorsement - Texas
FI282TX	01 16	Premier Renter's Coverages Endorsement - Texas
OPTIONAL COVERAGES		
EX199	01 16	HomeXtended Coverages Endorsement
FI0412	01 16	Increased Limits of Business Property - <i>Computer Equipment</i>
FI0452	01 16	Livestock Collision Coverage
FI0454	05 11	Earthquake
FI2304	05 11	Personal Property Replacement Cost Loss Settlement - Texas
FI0492	05 11	Specific Structures Away from the Residence Premises
FI0469	01 14	Limited Water Back-Up and Sump Discharge or Overflow - Texas
FI150	01 92	Provisional Amount Endorsement <i>Builders Risk</i>
FI260	01 16	Volunteer Wrongful Acts Coverage
FI2685	06 15	Blanket Personal Property
FI460	05 11	Scheduled Personal Property Endorsement With Agreed Value Loss Settlement
FI2303	05 11	Scheduled Personal Property Endorsement - Texas
FI50	05 11	Theft - Dwelling Under Construction
FI55	04 88	Endorsement - Fire Department Service Charge
HO0410	10 00	Additional Interest - Residence Premises

IX – Forms and Endorsement (Continued)

FORM	EDITION	TITLE
HO0472	05 11	Special Computer Coverage - Texas
HO0416	10 00	Premises Alarm or Fire Protection System
HO0434	05 11	Water Damage Coverage – Texas (HO0004)
HO0435	05 11	Supplemental Loss Assessment Coverage
HO0436	05 11	Loss Assessment Coverage for Earthquake
HO0440	10 00	Structures Rented to Others (Residence Premises)
HO0441	10 00	Additional Insured (Residence Premises)
HO0442	10 00	Permitted Incidental Occupancies (Residence Premises)
HO0449	10 00	Building Additions & Alterations - Other Residence
HO0450	05 11	Increased Amount of Insurance for Personal Property at Other Residences
HO0451	10 00	Building Additions & Alterations - (increased Limits HO0004)
HO4297	05 11	Identity Fraud Expense Coverage - Texas
HO0458	05 11	Other Members of Your Household
HO0459	05 11	Assisted Living Care Coverage
HO0467	05 11	Water Damage Coverage – Texas (HO0003 and HO0005)
HO0468	05 11	Foundation Coverage
HO0472	05 11	Special Computer Coverage - Texas
HO0477	10 00	Ordinance or Law - Increased Amount of Coverage
HO0483	05 11	Water Damage Coverage – Texas (HO0006)
HO0497	05 11	Home Day Care Coverage Endorsement
HO0498	05 11	Refrigerated Property Coverage
HO0499	10 00	Sinkhole Collapse
HO0527	05 11	Additional Insured- Student Living Away From The Residence Premises
HO0541	10 00	Extended Theft Coverage for Residence Premises Occasionally Rented to Others
HO0546	10 00	Landlord's Furnishings
HO0561	05 11	Special Personal Property Coverage – Texas
HO0614	05 11	Increased Amount of Insurance for Personal Property Located in a Self-Storage Facility
HO0615	05 11	Trust Endorsement
HO1733	05 11	Unit Owners Rental to Others
HO1790	05 11	Unit Owners Coverage C Special Coverage – Texas
HO1791	05 11	Unit Owners Coverage A Special Coverage - Texas
HO2443	10 00	Permitted Incidental Occupancy - Other Residences
HO2470	10 00	Additional Residence Rented to Others 1, 2, 3, or 4 families
HO2471	10 00	Business Pursuits
HO2473	05 11	Farmers Personal Liability
HO2482	05/11	Personal Injury Coverage
DEDUCTIBLE PROVISION ENDORSEMENT		
FI187	01 16	Windstorm or Hail Deductible
HOME BUSINESS INSURANCE ENDORSEMENTS		
HO0770	05 11	Home Business Insurance Coverage - Texas
HO0752	05 11	Loss Payable Provisions
HO0753	10 00	Exclusion - Personal And Advertising Injury
HO0754	10 00	Liquor Liability Exclusion And Exception For Scheduled Activities

IX – Forms and Endorsement (Continued)

FORM	EDITION	TITLE
LOSS SETTLEMENT ENDORSEMENTS		
HO0443	05 11	Replacement Cost Loss Settlement for Certain Non-Building Structures On The Residence Premises
HO0456	05 11	Special Loss Settlement – Texas (HO0003 and HO0005)
HO2305	05 11	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing - Texas
HO0530	05 11	Functional Replacement Cost Loss Settlement
FI2304	05 11	Personal Property Replacement Cost Loss Settlement - Texas
WATERCRAFT ENDORSEMENTS		
FI254	01 16	Homeowners Pleasure Boat Endorsement
FI255	01 16	Homeowners Yacht Endorsement
FI2475	06 15	Watercraft <i>Liability</i>
FI84	05 11	Homeowners Watercraft Physical Damage Endorsements
FI146	05 11	Increased Navigational Limits (within 50 Miles)
FI147	05 11	Increased Navigational Limits (Bahamas)
FI148	05 11	Increased Navigational Limits (within 20 Miles)
FI149	05 11	Additional Insured (Watercraft)
FI165	05 11	Excluding Coverage While Certain Person or Persons Operate a Watercraft
FI170	05 11	Sailboats-Racing <i>Buy Back Sails, Spars, Spinnakers</i>
WC0401	01 10	Uninsured Watercraft Coverage
EXCLUSIONS		
FI99	01 16	Exclusion - Designated Other Structure On The "Residence Premises"
HO2477	05 11	Canine Liability Exclusion Endorsement
HO2496	10 00	Exclusion of Farm Employees Illegally Employed
HO4210	0602	Exclusion of Residential Community Property Clause - Texas
FI0644	04 16	Roof Surfacing Damage Exclusion – Windstorm or Hail
HO0470	06 02	Windstorm or Hail Exclusion - Texas
MISCELLANEOUS FORMS		
ILN001	09 03	Fraud Statement
APP-HO	01 16	Personal Home Application
FIMK425	01 16	State Auto Identity Theft Protection Program
HOC001	05 11	Certificate of Homeowners Insurance - Trust
HOP004	05 11	Limited Home Day Care Coverage Advisory Notice To Policyholders
ACORD35	03 16	Cancellation Request/Policy Release
ACORD37	01 08	Statement of No Loss
ACORD38	01 13	Notice of Information Practices (Privacy)
ACORD66	05 11	Personal Insurance Supplement Extraordinary Life Circumstances Disclosure