

SERFF Tracking Number: HRLV-126637173 State: Arkansas  
Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150  
Company Tracking Number: J CLEAVER 1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Filing at a Glance

Company: Harleysville Mutual Insurance Company

Product Name: HO

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: HRLV-126637173 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num: J CLEAVER 1

Authors: Tina Losinno, Carol Zwoyer

Date Submitted: 05/21/2010

State Tr Num: EFT \$150

State Status: Fees verified and received

Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding

Disposition Date: 07/02/2010

Disposition Status: Filed

Effective Date (New): 07/28/2010

Effective Date (Renewal): 07/28/2010

Effective Date Requested (New): 07/28/2010

Effective Date Requested (Renewal):

State Filing Description:

## General Information

Project Name: Arkansas Homeowners

Project Number:

Reference Organization: ISO

Reference Title:

Filing Status Changed: 07/02/2010

State Status Changed: 05/21/2010

Created By: Carol Zwoyer

Corresponding Filing Tracking Number:

Filing Description:

With this filing we submit for your review and approval a new Homeowners Program in Harleysville Mutual Insurance Company which replaces that which is currently on file.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Carol Zwoyer

## Company and Contact

### Filing Contact Information

Carol Zwoyer, Senior State Filing Analyst

355 Maple Avenue

czwoyer@harleysvillegroup.com

215-256-5735 [Phone]

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 Product Name: HO  
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Harleysville, PA 19438-2297 215-256-5678 [FAX]

**Filing Company Information**

Harleysville Mutual Insurance Company CoCode: 14168 State of Domicile: Pennsylvania  
 355 Maple Avenue Group Code: 253 Company Type:  
 Harleysville, PA 19438 Group Name: State ID Number:  
 (215) 256-5000 ext. [Phone] FEIN Number: 23-0902325

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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harleysville Mutual Insurance Company	\$150.00	05/21/2010	36731365

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/02/2010	07/02/2010

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	06/23/2010	06/23/2010	Carol Zwoyer	07/01/2010	07/01/2010
Pending Industry Response	Becky Harrington	06/18/2010	06/18/2010	Carol Zwoyer	06/22/2010	06/22/2010
Pending Industry Response	Becky Harrington	06/07/2010	06/07/2010	Carol Zwoyer	06/08/2010	06/08/2010
Pending Industry Response	Becky Harrington	05/24/2010	05/24/2010	Carol Zwoyer	06/03/2010	06/03/2010

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*Company Tracking Number:*      *J CLEAVER 1*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0000 Homeowners Sub-TOI Combinations*  
*Product Name:*              *HO*  
*Project Name/Number:*      *Arkansas Homeowners/*

## **Disposition**

Disposition Date: 07/02/2010

Effective Date (New): 07/28/2010

Effective Date (Renewal): 07/28/2010

Status: Filed

Comment: new program

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	cover letter	Filed	Yes
Supporting Document	actuarial memo	Filed	Yes
Supporting Document	Exhibits	Filed	No
Supporting Document	map	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate (revised)	Manual pages	Filed	Yes
Rate	Manual pages		Yes
Rate	Manual pages	Filed	Yes
Rate (revised)	Manual pages	Filed	Yes
Rate	Manual pages		Yes
Rate	Manual pages		Yes
Rate (revised)	Manual pages	Filed	Yes
Rate	Manual pages		Yes
Rate	Manual pages	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate	Manual pages	Filed	Yes

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/23/2010

Submitted Date 06/23/2010

Respond By Date

Dear Carol Zwoyer,

This will acknowledge receipt of the recent response.

Objection 1

No Objections

Comment: Suburban Rating Rule -

I have discussed your response with Mr. Lacy, Director of P&C. The statement is still insufficient: we fail to see how the lower rate encourages fire departments to upgrade their water sources and equipment; the lower rates rewards the policyholder regardless of whether they are willing to improve their fire department.

Requiring an insured to pay dues to a subscription department each year where applicable would be acceptable.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

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<i>Filing Company:</i>	<i>Harleysville Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$150</i>
<i>Company Tracking Number:</i>	<i>J CLEAVER 1</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>HO</i>		
<i>Project Name/Number:</i>	<i>Arkansas Homeowners/</i>		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/01/2010
Submitted Date	07/01/2010

Dear Becky Harrington,

### Comments:

### Response 1

Comments: In response to your concerns, we have removed suburban rating from Rule 106 and updated Rules 301 and 516 replacing 88 class with 8B class.

### Related Objection 1

Comment:

Suburban Rating Rule -

I have discussed your response with Mr. Lacy, Director of P&C. The statement is still insufficient: we fail to see how the lower rate encourages fire departments to upgrade their water sources and equipment; the lower rates rewards the policyholder regardless of whether they are willing to improve their fire department.

Requiring an insured to pay dues to a subscription department each year where applicable would be acceptable.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

### Rate/Rule Schedule Item Changes

<b>Exhibit Name</b>	<b>Rule # or Page #</b>	<b>Rate Action</b>	<b>Previous State Filing #</b>
Manual pages	HO-1-1 thru HO-1-5	New	
<b>Previous Version</b>			
Manual pages	HO-1-1 thru HO-1-5	New	
Manual pages	HO-3-1 thru HO-3-10	New	
<b>Previous Version</b>			

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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: HO  
Project Name/Number: Arkansas Homeowners/  
Manual pages HO-3-1 thru HO-3-10 New  
Manual pages HO-3-1 thru HO-3-10 New  
Manual pages HO-5-1 thru HO-5-22 New  
**Previous Version**  
Manual pages HO-5-1 thru HO-5-22 New

Sincerely,  
Carol Zwoyer, Tina Losinno

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/18/2010

Submitted Date 06/18/2010

Respond By Date

Dear Carol Zwoyer,

This will acknowledge receipt of the response dated 6/8/10.

Objection 1

No Objections

Comment: Suburban rating – ISO considers water supply and available equipment among other criteria when assigning classifications. The response explains the reasoning behind wanting to implement the rule and the benefits for an insured. It does not appear to support or promote a positive impact toward the fire protection districts.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 06/22/2010  
Submitted Date 06/22/2010

Dear Becky Harrington,

### Comments:

#### Response 1

Comments: ISO Class 8B recognizes fire protection districts that provide services and facilities (equipment, training, techniques and alarm systems) on par with a lower protection class districts but who do not have the required water supply for the lower rating. Our Suburban rating Class 88 includes the districts recognized as 8B by ISO and in addition, recognizes properties that are located within 5 miles of the responding fire department, are accessible year round to fire fighting equipment and are within 1000 feet of a year round water source that provides a minimum 1500 gallon water supply.

The expansion we provide of the ISO 8B Class increases the number of fire protection districts that benefit by qualifying their population for a lower homeowners insurance rates. By providing lower homeowners insurance rates in a larger area than ISO we allow the fire protection districts to justify maintenance and improvements in fire protection (including capital improvements such as tanker/pumper trucks).

#### Related Objection 1

Comment:

Suburban rating – ISO considers water supply and available equipment among other criteria when assigning classifications. The response explains the reasoning behind wanting to implement the rule and the benefits for an insured. It does not appear to support or promote a positive impact toward the fire protection districts.

#### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

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*Product Name:*             *HO*  
*Project Name/Number:*        *Arkansas Homeowners/*

No Rate/Rule Schedule items changed.

Sincerely,  
Carol Zwoyer, Tina Losinno

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/07/2010

Submitted Date 06/07/2010

Respond By Date

Dear Carol Zwoyer,

This will acknowledge receipt of the response dated 6/3/10.

### Objection 1

- Exhibits (Supporting Document)

Comment: The financial factors exhibit is titled homeowners, but the exposures indicate "car years". Please explain why countrywide homeowner exposure was not used.

### Objection 2

No Objections

Comment: 23-88-104 is not specific to subscription departments. It requires an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory organization. Insurance Services Office does not utilize a suburban rating rule; therefore, you must provide an impact statement.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 06/08/2010  
Submitted Date 06/08/2010

Dear Becky Harrington,

### Comments:

### Response 1

Comments: The exposures used in the Financial Factors Exhibits for Homeowners was Earned House Years. The exhibit was mislabeled Car Years.

#### Related Objection 1

Applies To:

- Exhibits (Supporting Document)

Comment:

The financial factors exhibit is titled homeowners, but the exposures indicate "car years". Please explain why countrywide homeowner exposure was not used.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

Comments: Under the Suburban Rating Classification we recognize that there are different levels of protection within the Protection Class 9 ISO designation. Within the Protection Class 9 there are dwellings that are located within 5 miles of a fire department that responds with a minimum 1500 gallons of water (or there is a year round water source within 1000 feet of the home that the fire department has the ability to access) on roads that are accessible year round. These risks enjoy a higher level of protection than risks in the Protection Class 9 that do not meet the above criteria. The suburban rating designation allows us to differentially rate these risks.

In addition, we recognize that communities are always evolving and growing in their size and protection abilities and

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may qualify for this Suburban Rating designation due to this infrastructural growth prior to having their ISO Protection Class officially updated.

**Related Objection 1**

Comment:

23-88-104 is not specific to subscription departments. It requires an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory organization. Insurance Services Office does not utilize a suburban rating rule; therefore, you must provide an impact statement.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Carol Zwoyer, Tina Losinno

SERFF Tracking Number: HRLV-126637173 State: Arkansas  
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: HO  
Project Name/Number: Arkansas Homeowners/

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/24/2010

Submitted Date 05/24/2010

Respond By Date

Dear Carol Zwoyer,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Provide the ISO Reference number being adopted.

Objection 2

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

Objection 3

No Objections

Comment: Our records indicate Harleysville currently has premium in AR for the homeowners line. Please explain how current insureds will be handled regarding renewals. Indicate the rate effect for those insureds if renewed under the new program.

Objection 4

- Manual pages, Contents 1 & 2 (Rate)

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

Comment: Provide the credit model, loss experience justifying the use of credit, and all other information required by Arkansas Code Annotated § 23-67-409 and Directive 2-2002.

Objection 5

- Manual pages, HO-1-1 thru HO-1-5 (Rate)

Comment: Fire departments in Arkansas have used the ISO PPC system to encourage membership by promising that reductions in homeowners' rates are tied to whether the fire department can obtain a lower PPC number. Exceptions from the PPC number are detrimental to this process and therefore the legislature passed the above statute to discourage exceptions from the PPC system unless they grant some benefit to the responding fire departments ability to attract and retain new members. Therefore, one could conclude that any deviation must give the fire departments some advantage in inducing the homeowners who buy the policy from the company to participate as a member in the

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responding fire district. Please provide an impact statement regarding the positive impact your suburban rating rule has on responding fire districts ability to better respond to a fire pursuant to Arkansas Code Annotated § 23-88-104.

#### Objection 6

- actuarial memo (Supporting Document)

Comment: Provide a map showing your territories.

#### Objection 7

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

Comment: Arkansas does not allow mandatory separate wind/hail deductibles. Please amend your rule to offer separate wind/hail deductibles on an optional bases for all territories.

#### Objection 8

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

Comment: The loss surcharge rule does not comply with Directive 2-2009. Weather related and Catastrophe losses may not be surcharged.

#### Objection 9

No Objections

Comment: Explain why the Property Remediation for Escaped Liquid Fuel is mandatory.

#### Objection 10

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

Comment: Rule 455 Group Discount is too vague/subjective. We are unable to determine compliance with ACA 23-67-208(d).

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

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Project Name/Number: Arkansas Homeowners/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 06/03/2010  
Submitted Date 06/03/2010

Dear Becky Harrington,

### Comments:

### Response 1

Comments: The ISO Reference numbers being adopted are: H-2000-O00FR, H-2000-R00RU, H-2004-RRU1, H-2000-OHPRU.

#### Related Objection 1

Comment:

Provide the ISO Reference number being adopted.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

Comments: Attached please find an updated Premium Survey in Excel format. We are revising our proposed rates (see response to objection 7).

#### Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

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**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 3**

Comments: Harleysville currently has one remaining homeowners policy in Arkansas, however this policy is written by a terminated agent. This policy will be non-renewed 12/12/10 so there will be no effect under the new program.

**Related Objection 1**

Comment:

Our records indicate Harleysville currently has premium in AR for the homeowners line. Please explain how current insureds will be handled regarding renewals. Indicate the rate effect for those insureds if renewed under the new program.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Response 4**

Comments: The credit scoring model we use is the Attract Homeowners model provided by LexisNexis (formerly ChoicePoint). Please see attached file. Also attached is our countrywide experience showing the development of the proposed rating factors. We request that both files be held confidential.

**Related Objection 1**

Applies To:

- Manual pages, Contents 1 & 2 (Rate)
- Manual pages, HO-4-1 thru HO-4-7 (Rate)

Comment:

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Provide the credit model, loss experience justifying the use of credit, and all other information required by Arkansas Code Annotated § 23-67-409 and Directive 2-2002.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Exhibits

Comment:

No Form Schedule items changed.

#### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual pages	HO-4-1 thru HO-4-7	New	
<b>Previous Version</b>			
Manual pages	HO-4-1 thru HO-4-7	New	

### Response 5

Comments: An insured who is a member of a subscription fire department will always receive a protection class rate that is less than it would be if they were not subscription members. The suburban rating does not apply in subscription areas.

#### Related Objection 1

Applies To:

- Manual pages, HO-1-1 thru HO-1-5 (Rate)

Comment:

Fire departments in Arkansas have used the ISO PPC system to encourage membership by promising that reductions in homeowners' rates are tied to whether the fire department can obtain a lower PPC number. Exceptions from the PPC number are detrimental to this process and therefore the legislature passed the above statute to discourage exceptions from the PPC system unless they grant some benefit to the responding fire departments ability to attract and retain new members. Therefore, one could conclude that any deviation must give the fire departments some advantage in inducing the homeowners who buy the policy from the company to participate as a member in the responding fire district. Please provide an impact statement regarding the positive impact your suburban rating rule has on responding fire districts ability to better respond to a fire pursuant to Arkansas Code Annotated § 23-88-104.

### Changed Items:

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No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 6

Comments: See attached Map Exhibit

### Related Objection 1

Applies To:

- actuarial memo (Supporting Document)

Comment:

Provide a map showing your territories.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: map

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 7

Comments: We have removed our mandatory wind/hail deductibles. Without this means of mitigating our exposure in these areas, we have revised our proposed rates in some territories. The proposed rate level was still developed based on our competitors relativities as explained in the initial filing memo, however, in some territories, we revised our selected relativity. The updated rate pages are attached as is a new premium survey form (see response to objection #2).

Rule 406. has been amended to remove the mandatory wind/hail deductible. We have also added two additional all perils deductibles.

### Related Objection 1

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/

**Applies To:**

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

**Comment:**

Arkansas does not allow mandatory separate wind/hail deductibles. Please amend your rule to offer separate wind/hail deductibles on an optional bases for all territories.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

<b>Exhibit Name</b>	<b>Rule # or Page #</b>	<b>Rate Action</b>	<b>Previous State Filing #</b>
Manual pages	HO-3-1 thru HO-3-10	New	
<b>Previous Version</b>			
Manual pages	HO-3-1 thru HO-3-10	New	
Manual pages	HO-4-1 thru HO-4-7	New	
<b>Previous Version</b>			
Manual pages	HO-4-1 thru HO-4-7	New	

**Response 8**

Comments: We have amended our rule. Please see objection 4.

**Related Objection 1**

**Applies To:**

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

**Comment:**

The loss surcharge rule does not comply with Directive 2-2009. Weather related and Catastrophe losses may not be surcharged.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

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Product Name: HO  
Project Name/Number: Arkansas Homeowners/  
No Rate/Rule Schedule items changed.

## Response 9

Comments: It has been our experience that losses caused by Escaped Liquid Fuel from Underground Storage Tanks involve multiple policy terms and approach Catastrophic Loss amounts. Therefore, our corporate philosophy is to require the Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverage Endorsement on all homeowners policies.

### Related Objection 1

Comment:

Explain why the Property Remediation for Escaped Liquid Fuel is mandatory.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 10

Comments: We have amended our rule. Please see objection 4.

### Related Objection 1

Applies To:

- Manual pages, HO-4-1 thru HO-4-7 (Rate)

Comment:

Rule 455 Group Discount is too vague/subjective. We are unable to determine compliance with ACA 23-67-208(d).

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

SERFF Tracking Number: HRLV-126637173 State: Arkansas  
 Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150  
 Company Tracking Number: J CLEAVER 1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: HO  
 Project Name/Number: Arkansas Homeowners/

Sincerely,  
 Carol Zwoyer, Tina Losinno

## Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed 07/02/2010	Manual pages	Contents 1 & 2	New	AR HMIC HO CONTENTS _filed_.pdf
Filed 07/02/2010	Manual pages	HO-1-1 thru HO-1-5	New	AR HMIC HO-1XX PGS 2000.pdf
Filed 07/02/2010	Manual pages	HO-2-1 thru HO-2-3	New	AR HMIC HO-2XX PGS 2000.pdf
Filed 07/02/2010	Manual pages	HO-3-1 thru HO-3-10	New	AR HMIC HO-3XX PGS 2000 _filed_.pdf
Filed 07/02/2010	Manual pages	HO-4-1 thru HO-4-7	New	AR HMIC HO-4XX PGS 2000.pdf
Filed 07/02/2010	Manual pages	HO-5-1 thru HO-5-22	New	AR HMIC HO-5XX PGS 2000 _filed_.pdf
Filed 07/02/2010	Manual pages	HO-6-1 thru HO-6-5	New	AR HMIC HO-6XX PGS 2000.pdf
Filed 07/02/2010	Manual pages	HO-7-1	New	AR HMIC HO-7XX PGS 2000.pdf

SERFF Tracking Number: HRLV-126637173 State: Arkansas  
Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150  
Company Tracking Number: J CLEAVER 1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: HO  
Project Name/Number: Arkansas Homeowners/

Filed 07/02/2010 Manual pages	(AR) HO-T-1 thru (AR) HO-T-13	New	AR HMIC HO TERRITORIES 2000.pdf
Filed 07/02/2010 Manual pages	F-1 & 2	New	AR HMIC HO FORMS PGS 2000 _filed_.pdf
Filed 07/02/2010 Manual pages	Index-1 thru 4	New	AR HMIC HO INDEX 2000 _filed_.pdf

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The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of the Homeowners Policy in the Standard and Preferred Programs. Unless noted, the rules, rates, forms and endorsements apply to both programs

**FORMS AVAILABILITY**

Standard Program – **HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06**  
 Preferred Program – **HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06**

**101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS**

A. Limits

The limits of liability required under the Homeowners policy are as follows:

1. Section I – Property Damage

<b>Coverage A – Dwelling</b>	
<b>HO 00 02, HO 00 03, HO 00 05</b>	Refer to Rule 301..
<b>HO 00 04 or HO 00 06</b>	For <b>HO 00 06</b> refer to Rule 507.A.
<b>Coverage B – Other Structures</b>	
<b>HO 00 02, HO 00 03, HO 00 05</b>	10% of <b>A</b> (One and two family dwelling) 5% of <b>A</b> (Three and four family dwelling)
<b>Coverage C – Personal Property</b>	
<b>HO 00 02, HO 00 03, HO 00 05</b>	50% of <b>A</b> (One and two family dwelling) 30% of <b>A</b> (Three family dwelling) 25% of <b>A</b> (Four family dwelling)
<b>HO 00 04 or HO 00 06</b>	Refer to Rule 301. in the state classification pages.
<b>Coverage D – Loss Of Use</b>	
<b>HO 00 02, HO 00 03 or HO 00 05</b>	30% of <b>A</b>
<b>HO 00 04</b>	30% of <b>C</b>
<b>HO 00 06</b>	50% of <b>C</b>

**Table 101.A.1. Property Damage Limits**

2. Section II – Liability (All Forms)

<b>Coverage E – Personal Liability And Coverage F – Medical Payments*</b>
<b>Refer to Rule 301.</b>
* Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis.

**Table 101.A.2. Liability Limits**

B. ALL FORMS – The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

C. FORM **HO 00 02, HO 00 03 or HO 00 05**

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure.

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one and two family dwelling; 20% of the limit of a three family dwelling; and 15% of the limit of a four family dwelling.

D. FORM **HO 00 06** – The limit of liability for Coverage A of Section I may be increased.

**102. DESCRIPTION OF COVERAGES**

A. Section I Coverages – Property Damage:

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

Perils	HO 00 02	HO 00 03	HO 00 04 and HO 00 06	HO 00 05
Fire or Lightning	Yes	Yes Cov. C	Yes	No
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes	Yes Cov. C	Yes	No
Vandalism or malicious mischief	Yes	Yes Cov. C	Yes	No
Theft	Yes	Yes Cov. C	Yes	No
Volcanic eruption	Yes	Yes Cov. C	Yes	No
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current.	Yes	Yes Cov. C	Yes	No
Additional risks with certain exceptions (Special Coverage)	No	Yes Cov. A, B and D	No	Yes Cov. A, B, C and D

B. Section II Coverages – Liability – All Forms:

Coverage E – Personal Liability  
 Coverage F – Medical Payments to Others

1. Personal Liability – Covers payment on behalf of any insured for 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.

**103. MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

**104. ELIGIBILITY**

A. All Forms Except **HO 00 04** and **HO 00 06**

A Homeowners Policy may be issued:

1. To the owner-occupant(s) of a 1, 2, 3 or 4 family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs F. and H.). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2, 3 or 4 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement – **HO 04 41**; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.

**104. ELIGIBILITY** (continued)

5. When two or more apartment units in a 2, 3 or 4 family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy **HO 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

**B. Form HO 00 04**

A Homeowners Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph A. provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph F.). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

**C. Form HO 00 06**

A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs F. and H.). The unit may not be occupied by more than one additional family or two boarders or roomers.

**D. Seasonal Dwelling**

Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.

**E. Mobile Home, Trailer Home or House Trailer**

A Homeowners Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph B.

Modular homes must be underwritten very carefully. Those modular homes resembling mobile homes (doublewide units, etc.) or those having construction similar to that used in mobile homes, may not be written on a Homeowner Policy. Modular Homes that may be acceptable for Homeowners coverage must meet the same building requirements as a conventionally built home including full sized rafters, floors and ceiling joists. The unit must be mounted to a solid masonry foundation or a basement and have water and sewer or septic tank facilities.

**F. Permitted Business Occupancies**

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rules **509.** and **510.** for Section I Coverage and Rules **607.** and **608.** for Section II Coverage. When it is conducted from an Other Residence, only Section II Coverage is available. Refer to Rules **607.** and **608.**

**G. Farm Property**

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.

Optional Section II liability coverage is available for certain farm liability exposures as specified in the Rule 615.

**105. SECONDARY RESIDENCE PREMISES**

- A. Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.
- B. When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made.
  - 1. Reduce the BASE PREMIUM for the policy covering the secondary residence by \$7; and
  - 2. Add the charge for Other Insured Location Occupied by Insured, developed from Rule **602.**, to the policy covering the initial residence.

**106. PROTECTION CLASSIFICATIONS AND INFORMATION**

The protection class listings in the Public Protection Classifications manual apply to risks insured under Homeowners policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (e.g., 8, 7, 6, etc.)
- B. In a classified area where two or more classifications are shown (e.g., 6/9), the classification is determined as follows.

**DISTANCE TO FIRE STATION CLASS**

- a. 5 road miles or less with hydrant within 1000 feet \*
- b. 5 road miles or less with hydrant beyond 1000 feet 9
- c. Over 5 road miles 10

\* First protection class (e.g., 6/9 ..... Use Class 6)

- C. All other properties are Class 10.
- D. Subscription type fire departments are identified by a footnote in the Public Protection Classification Manual. Class 10 applies to properties which are not subscribers or which are located over 5 miles from the nearest recognized fire station of the listed fire department.

## 107. CONSTRUCTION DEFINITIONS

- A. Frame – exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.
- B. Masonry Veneer – exterior walls of combustible construction veneered with brick or stone.
- C. Masonry – exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete brick, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).
- D. Superior Construction
  - 1. Non-Combustible – exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
  - 2. Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
  - 3. Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials.
- E. Log Construction – exterior walls and gables are of solid wall construction typically using 5”-6” diameter logs with tongue and groove, peeled to a clean wood finish and spiked or doweled using weather sealant or caulking.
- F. Mixed (Masonry/Frame) – 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 thirty-three and one-third percent (33 1/3%) of the total exterior wall area; otherwise class and code as masonry.

## 108. SEASONAL DWELLING DEFINITION

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

## 109. SINGLE AND SEPARATE BUILDINGS DEFINITION

- A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.
- B. Separate Building
  - 1. Buildings which are separated by space shall be considered separate buildings.
  - 2. Buildings or sections of buildings which are separated by:
    - a. A six-inch reinforced concrete or an eight-inch masonry party wall; or
    - b. A documented minimum two 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 described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

## ARKANSAS (03)

**201. POLICY PERIOD**

The policy may be written for a period of one year and may be extended by extension certificate based upon the premiums, forms and endorsements then in effect for the company.

**202. CHANGES OR CANCELLATIONS**

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

**203. MANUAL PREMIUM REVISION**

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision; the revision shall not affect in-force policy forms, endorsements or premiums, until the policy is renewed.

**205. MINIMUM PREMIUM**

- A. For prepaid policies the minimum annual premium of \$150 shall be charged for each policy.
- B. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.

**206. TRANSFER OR ASSIGNMENT**

Subject to the consent of the company, all the rules of this manual and any necessary adjustment of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

**207. WAIVER OF PREMIUM**

When a policy is endorsed after the inception date, any additional premium of less than \$5.00 may be waived. Any return premium less than \$2.00 shall be returned to the insured upon request.

**208. WHOLE DOLLAR PREMIUM RULE**

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**209. RESTRICTION OF INDIVIDUAL POLICIES**

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

**210. REFER TO COMPANY**

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

## ARKANSAS (03)

**211. ADDITIONAL INTEREST**

- 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 under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph D.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C. No additional charge is made for use of this endorsement.
- D. Use Additional Interest Residence Premises Endorsement **HO 04 10**.

**251. INSTALLMENT PAYMENT PLAN**

See company Payment Plans Supplement.

**252. PERSONAL ACCOUNT BILLING**

See company Payment Plans Supplement.

**254. SPECIAL STATE REQUIREMENTS****A. Special Provisions Endorsement – HO 01 03**

Use this endorsement with all Homeowners policies.

**B. No Coverage for Home Day Care Business – HO 04 96**

This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.

**C. Water Exclusion Endorsement**

**Use Endorsement HO 16 09 with all HO 00 02, HO 00 04 and HO 00 06 policies.**  
**Use Endorsement HO 16 10 with all HO 00 03 and HO 00 05 policies.**

**D. Community Mitigation Classification Manual**

With the renaming of the Public Protection Classification (PPC) Manual all references to the PPC Manual shall be understood to be references to the Community Mitigation Classification Manual.

**E. Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverages**

This is a mandatory coverage and the applicable endorsement is to be added to policy. See item d. Endorsements

**1. Coverage Outline****a. Basic Limits**

When the Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverages Endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

**(1) Section I – Property Remediation for Escaped Liquid Fuel Coverage**

\$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by liquid fuel that escapes from a fuel system on the residence premises as defined in the coverage endorsements. Covered real property includes land, other than farm land, owned by an insured, on which a building or structure is located.

## ARKANSAS (03)

**254. SPECIAL STATE REQUIREMENTS** (continued)

In addition to the primary residence identified in the policy declarations, the defined term "residence premises" also includes other locations owned by an insured but only if such locations have a fuel system, is specifically insured under Section II of the policy and is declared on the schedule in the aforementioned coverage endorsements. Enter the address of such locations on these endorsements or the policy declarations. The other locations may be owner occupied or rented to others.

This Property Remediation Coverage applies only for the policy period in which the insured first discovers or first learns of the escaped fuel, even if the escape began before that policy period.

## (2) Section II – Limited Lead and Escaped Liquid Fuel Liability Coverages

\$50,000 to pay for damages because of bodily injury or property damage involving fuel that escapes from a fuel system or involving the contamination or exposure of lead from any location insured under the policy.

## b. Premium Credit

A one-percent credit applies to the ADJUSTED BASE PREMIUM.

## c. Fuel System

(1) "Fuel System" is defined in the coverage endorsements. Briefly, it includes one or more fuel storage containers, tanks, or vessels with a total combined capacity of 100 or more U.S. gallons at any one location and any related equipment such as a furnace, a water heater, fittings and pipes connecting a furnace or water heater to the fuel storage tank, and filler pipes and flues connected to a fuel storage tank.

(2) When the total combined storage capacity of liquid fuel at any insured location is less than 100 U.S. gallons, the:

(a) Property Remediation Coverage does not apply to that location; and

(b) Policy limits and provisions apply for Escaped Liquid Fuel Liability to that location.

## d. Endorsements

(1) Use Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Cover-ages Endorsement:

(a) **HO 05 80** – For all forms other than **HO 00 04** and **HO 00 06**.

(b) **HO 05 81** – For Form **HO 00 04**.

(c) **HO 05 82** – For Form **HO 00 06**.

(2) These endorsements provide complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the limits of liability that apply to the Property Remediation Coverage and the Limited Liability Coverage on the endorsement. Also enter on this endorsement the address of any other location, other than the primary residence, to be insured for Property Remediation Coverage.

## 2. Application of Limits of Liability

a. For Property Remediation Coverage, the limit stated is the most coverage that will be provided during the policy period regardless of the number of locations insured for Property Remediation Cover-age, the number of escapes of liquid fuel from a fuel system an insured first discovers or learns of during the policy period, or the number of claims made.

b. For Limited Lead and Escaped Liquid Fuel Liability Coverage, the limit stated is an aggregate limit and is the most coverage that will be provided during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

**290. TERRITORY DEFINITIONS**

For specific information on territories – please see **Territory Definition** pages.

## ARKANSAS (03)

**300. SEQUENCE RATING RULE****Procedures for Determining Policy Premium****A. Base Premium**

Develop the Base Premium from the Base Premium Computation Pages of the manual.

Refer to the rating rules pertaining to the following options, when appropriate, and apply or add in the sequence indicated below.

1. Repair Cost Homeowners Endorsement **LS 23 89** (Market Value Rating Program)
2. Signature<sup>SM</sup> Endorsement **F-4706** or Signature<sup>SM</sup> Plus Endorsement **F-4707**.
3. Building Ordinance or Law Coverage Endorsement **HO 04 77**
4. Superior Construction
5. 3 or 4 Family Dwelling
6. Townhouse or Row house
7. Secondary or Seasonal Residence Section II Credit

**B. Adjusted Base Premium**

Apply any of the premium adjustment factors, when appropriate, in the sequence indicated below. **THE PREMIUM IS TO BE ROUNDED AFTER EACH STEP.**

1. Coverage C (increase or decrease)
2. Replacement Cost Dwelling
3. Personal Property Replacement Cost
4. Coverage A Dwelling – Form **HO 00 06**
5. Optional Deductibles
6. Protective Devices
7. Age of Home Factor
8. Newly Purchased Home Discount
9. Loss Free Discount
10. Loss Surcharge
11. Mature Homeowner
12. Hazardous Conditions Surcharge
13. Adult Residential Community Coverage
14. Property Remediation Credit
15. Financial factor

**C. Additional or Reduced Premium**

Develop any additional or reduced premium for rating rules indicated below. **EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED.**

1. Rating Factors not accommodated in B. above
2. Rating Rules displaying fixed dollar premium charges or credits
3. Rating Rules displaying rate per \$1,000 or \$100
4. Rating Factors for optional deductibles are applicable to:
  - **HO 04 40** – Structures Rented to Others
  - **HO 04 42** – Permitted Incidental Occupancies
  - **HO 04 48** – Other Structures

**D. Total Policy Premium**

Calculate the Total Policy Premium which is Base Premium or Adjusted Base Premium, plus Additional or Reduced Premium, if any.

1. Companion Credit  
Applies to the total policy premium less any endorsements which are not subject to further debits or credits.
2. Group Discount  
Applies to the total policy premium less any endorsements which are not subject to further debits or credits.
3. Life Insurance or Annuity Policy Credit  
Applies to total policy premium.
4. Condominium Association Credit  
Applies to total policy premium.

ARKANSAS (03)

301. BASE PREMIUM COMPUTATION

- A. The BASE PREMIUM is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).
  - 1. Key Premium Computation Steps
    - a. From the Territory Table, select the Premium for the applicable Territory.
    - b. From the Form Relativity Table, select the factor for the applicable form.
    - c. Multiply the Territory Premium from Step a. by the factor from Step b. Round to the nearest cent.
    - d. From the Protection/Construction Table, select the factor for the applicable Protection Class and Construction Type and multiply the factor by Premium from Step c. Round to the nearest whole dollar to develop the KEY PREMIUM..
  - 2. Using the Key Factor Chart on the same page, determine the KEY FACTOR for the desired limit of liability. If the limit of liability is shown in the chart, select the KEY FACTOR for that limit.
  - 3. Multiply the KEY PREMIUM by the KEY FACTOR and round to the nearest whole dollar to develop the BASE PREMIUM (\$.50 or more rounded to the next higher dollar).
- B. When any of the optional coverages noted below apply, develop the BASE PREMIUM in accordance with the instructions provided in the rules shown in this section of the manual.
  - 1. Repair Cost Homeowners (Endorsement **LS 23 89**)
  - 2. Ordinance or Law Coverage (Endorsement **HO 04 77**)
  - 3. Special Personal Property Coverage – **HO 00 06** (Endorsement **HO 17 31**)
- C. Interpolation Example
  - 1. When the desired limit of liability is **less** than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit.

**Example:**

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r}
 2.937 \\
 - 2.837 \\
 \hline
 .100 \div 5 = .02
 \end{array}$$

Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r}
 .02 \\
 \times 3 \\
 \hline
 .06 + 2.837 = 2.897
 \end{array}$$

The result, 2.897, is the Key Factor for this example.

- 2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this manual.

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION

A. KEY PREMIUM COMPUTATION

TERRITORY PREMIUM TABLE

Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6
10	1,049	183	170	480	1,133	183	170				
11	1,070	183	170	490	1,035	183	170				
20	1,196	183	170	500	1,116	183	170				
30	995	183	170	510	1,279	183	170				
40	973	183	170	520	1,129	183	170				
50	1,040	183	170	530	926	183	170				
60	1,164	183	170	540	1,148	183	170				
70	1,150	183	170	550	1,054	183	170				
80	995	183	170	560	1,303	183	170				
90	1,182	183	170	570	1,110	183	170				
100	1,059	183	170	580	904	183	170				
110	1,148	183	170	590	1,086	183	170				
120	912	183	170	600	1,008	183	170				
130	1,069	183	170	601	1,006	183	170				
140	1,104	183	170	602	1,013	183	170				
150	990	183	170	610	1,095	183	170				
160	1,304	183	170	620	1,218	183	170				
170	1,279	183	170	630	973	183	170				
180	1,141	183	170	631	974	183	170				
190	1,168	183	170	640	932	183	170				
200	1,129	183	170	650	960	183	170				
210	1,160	183	170	660	1,279	183	170				
220	1,109	183	170	670	1,075	183	170				
230	904	183	170	680	906	183	170				
231	923	183	170	690	939	183	170				
240	1,279	183	170	700	1,164	183	170				
250	980	183	170	710	905	183	170				
260	863	183	170	720	1,040	183	170				
261	876	183	170	730	1,051	183	170				
270	1,034	183	170	740	1,132	183	170				
280	1,071	183	170	750	952	183	170				
290	1,159	183	170								
300	990	183	170								
310	1,084	183	170								
320	919	183	170								
330	933	183	170								
340	1,228	183	170								
350	1,138	183	170								
351	1,138	183	170								
360	1,279	183	170								
370	1,112	183	170								
380	1,176	183	170								
390	1,196	183	170								
400	1,160	183	170								
410	1,076	183	170								
420	912	183	170								
430	949	183	170								
440	995	183	170								
450	1,051	183	170								
460	1,158	183	170								
470	1,252	183	170								

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION

A. KEY PREMIUM COMPUTATION

TERRITORY PREMIUM TABLE

Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6
10	944	165	153	480	1,020	165	153				
11	963	165	153	490	932	165	153				
20	1,076	165	153	500	1,004	165	153				
30	896	165	153	510	1,151	165	153				
40	876	165	153	520	1,016	165	153				
50	936	165	153	530	833	165	153				
60	1,048	165	153	540	1,033	165	153				
70	1,035	165	153	550	949	165	153				
80	896	165	153	560	1,173	165	153				
90	1,064	165	153	570	999	165	153				
100	953	165	153	580	814	165	153				
110	1,033	165	153	590	977	165	153				
120	821	165	153	600	907	165	153				
130	962	165	153	601	905	165	153				
140	994	165	153	602	912	165	153				
150	891	165	153	610	986	165	153				
160	1,174	165	153	620	1,096	165	153				
170	1,151	165	153	630	876	165	153				
180	1,027	165	153	631	877	165	153				
190	1,051	165	153	640	839	165	153				
200	1,016	165	153	650	864	165	153				
210	1,044	165	153	660	1,151	165	153				
220	998	165	153	670	968	165	153				
230	814	165	153	680	815	165	153				
231	831	165	153	690	845	165	153				
240	1,151	165	153	700	1,048	165	153				
250	882	165	153	710	815	165	153				
260	777	165	153	720	936	165	153				
261	788	165	153	730	946	165	153				
270	931	165	153	740	1,019	165	153				
280	964	165	153	750	857	165	153				
290	1,043	165	153								
300	891	165	153								
310	976	165	153								
320	827	165	153								
330	840	165	153								
340	1,105	165	153								
350	1,024	165	153								
351	1,024	165	153								
360	1,151	165	153								
370	1,001	165	153								
380	1,058	165	153								
390	1,076	165	153								
400	1,044	165	153								
410	968	165	153								
420	821	165	153								
430	854	165	153								
440	896	165	153								
450	946	165	153								
460	1,042	165	153								
470	1,127	165	153								

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

1. HO-00-02, HO-00-03, HO-00-05

ALL TERRITORIES

TERRITORY PREMIUM TABLE

See Base Rates beginning on Page HO-3-3		
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KEY FACTOR TABLE

Cov. A Amount (000s)		Cov. A Amount (000s)		Cov. A Amount (000s)	
	Factor		Factor		Factor
\$10	0.666	\$350	3.069	\$690	5.876
20	0.678	360	3.165	700	5.961
30	0.693	370	3.265	710	6.045
40	0.717	380	3.361	720	6.130
50	0.744	390	3.456	730	6.215
60	0.776	400	3.544	740	6.299
70	0.823	410	3.490	750	6.384
80	0.886	420	3.571	760	6.469
90	0.944	430	3.645	770	6.553
100	1.000	440	3.734	780	6.638
110	1.068	450	3.822	790	6.723
120	1.146	460	3.909	800	6.807
130	1.224	470	3.996	810	6.895
140	1.303	480	4.085	820	6.983
150	1.386	490	4.176	830	7.071
160	1.464	500	4.267	840	7.158
170	1.551	510	4.355	850	7.246
180	1.636	520	4.442	860	7.333
190	1.724	530	4.530	870	7.421
200	1.810	540	4.618	880	7.509
210	1.886	550	4.706	890	7.597
220	1.953	560	4.791	900	7.684
230	2.032	570	4.876	910	7.772
240	2.108	580	4.961	920	7.859
250	2.178	590	5.046	930	7.947
260	2.251	600	5.131	940	8.035
270	2.322	610	5.212	950	8.123
280	2.412	620	5.293	960	8.210
290	2.500	630	5.375	970	8.298
300	2.585	640	5.456	980	8.386
310	2.672	650	5.537	990	8.473
320	2.772	660	5.622	1,000	8.561
330	2.869	670	5.707	Each Add'l	
340	2.970	680	5.791	\$10K	0.096

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-02	0.95
HO-00-03	1.00
HO-00-05	1.20

PROTECTION/CONSTRUCTION TABLE

Prot. <u>Class</u>	Masonry <u>Factor</u>	Frame <u>Factor</u>	Log <u>Factor</u>
1	0.86	0.96	0.96
2	0.87	0.97	0.97
3	0.88	0.98	0.98
4	0.89	0.99	0.99
5	0.90	1.00	1.00
6	0.91	1.01	1.01
7	0.92	1.10	1.10
8	1.15	1.40	1.40
8B	1.36	1.70	1.70
9	1.50	1.90	1.90
10	1.90	2.10	2.10

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

2. HO-00-04

ALL TERRITORIES

TERRITORY PREMIUM TABLE

	See Base Rates beginning on Page HO-3-3	
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KEY FACTOR TABLE

Cov. C Amount (000s)		Cov. C Amount (000s)		Cov. C Amount (000s)	
	Factor		Factor		Factor
\$10	0.803	\$44	1.547	\$78	2.395
11	0.831	45	1.570	79	2.418
12	0.859	46	1.593	80	2.442
13	0.878	47	1.615	81	2.466
14	0.897	48	1.639	82	2.490
15	0.916	49	1.662	83	2.515
16	0.934	50	1.685	84	2.539
17	0.951	51	1.712	85	2.563
18	0.967	52	1.738	86	2.588
19	0.984	53	1.766	87	2.614
20	1.000	54	1.793	88	2.640
21	1.024	55	1.820	89	2.665
22	1.047	56	1.846	90	2.691
23	1.070	57	1.873	91	2.717
24	1.092	58	1.900	92	2.743
25	1.116	59	1.927	93	2.769
26	1.138	60	1.953	94	2.795
27	1.160	61	1.978	95	2.820
28	1.182	62	2.003	96	2.846
29	1.205	63	2.028	97	2.873
30	1.227	64	2.053	98	2.898
31	1.249	65	2.077	99	2.925
32	1.272	66	2.102	100	2.951
33	1.295	67	2.127	101	2.976
34	1.318	68	2.152	102	3.002
35	1.341	69	2.177	103	3.029
36	1.363	70	2.202	104	3.055
37	1.386	71	2.226	105	3.081
38	1.409	72	2.250	106	3.107
39	1.431	73	2.275	107	3.132
40	1.454	74	2.299	108	3.158
41	1.477	75	2.323	109	3.185
42	1.500	76	2.346	Each Add'l	
43	1.523	77	2.370	\$1K	0.026

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-04	1.00
HO-00-04 w/ HO-05-24	1.40

PROTECTION/CONSTRUCTION TABLE

<u>Prot.</u>	<u>Masonry</u>	<u>Frame</u>
<u>Class</u>	<u>Factor</u>	<u>Factor</u>
1	0.86	0.96
2	0.87	0.97
3	0.88	0.98
4	0.89	0.99
5	0.90	1.00
6	0.91	1.01
7	0.92	1.30
8	0.93	1.30
8B	1.15	1.48
9	1.30	1.60
10	1.50	1.95

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

3. HO-00-06, HO-00-06 with HO-17-31

ALL TERRITORIES

TERRITORY PREMIUM TABLE

	See Base Rates beginning on Page HO-3-3	
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KEY FACTOR TABLE

Cov. C Amount (000s)		Cov. C Amount (000s)		Cov. C Amount (000s)	
	Factor		Factor		Factor
\$10	0.803	\$44	1.547	\$78	2.395
11	0.831	45	1.570	79	2.418
12	0.859	46	1.593	80	2.442
13	0.878	47	1.615	81	2.466
14	0.897	48	1.639	82	2.490
15	0.916	49	1.662	83	2.515
16	0.934	50	1.685	84	2.539
17	0.951	51	1.712	85	2.563
18	0.967	52	1.738	86	2.588
19	0.984	53	1.766	87	2.614
20	1.000	54	1.793	88	2.640
21	1.024	55	1.820	89	2.665
22	1.047	56	1.846	90	2.691
23	1.070	57	1.873	91	2.717
24	1.092	58	1.900	92	2.743
25	1.116	59	1.927	93	2.769
26	1.138	60	1.953	94	2.795
27	1.160	61	1.978	95	2.820
28	1.182	62	2.003	96	2.846
29	1.205	63	2.028	97	2.873
30	1.227	64	2.053	98	2.898
31	1.249	65	2.077	99	2.925
32	1.272	66	2.102	100	2.951
33	1.295	67	2.127	101	2.976
34	1.318	68	2.152	102	3.002
35	1.341	69	2.177	103	3.029
36	1.363	70	2.202	104	3.055
37	1.386	71	2.226	105	3.081
38	1.409	72	2.250	106	3.107
39	1.431	73	2.275	107	3.132
40	1.454	74	2.299	108	3.158
41	1.477	75	2.323	109	3.185
42	1.500	76	2.346	Each Add'l	
43	1.523	77	2.370	\$1K	0.026

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-06	1.00
HO-00-06 w/ HO-17-31	1.40

PROTECTION/CONSTRUCTION TABLE

<u>Prot.</u>	<u>Masonry</u>	<u>Frame</u>
<u>Class</u>	<u>Factor</u>	<u>Factor</u>
1	0.86	0.96
2	0.87	0.97
3	0.88	0.98
4	0.89	0.99
5	0.90	1.00
6	0.91	1.01
7	0.92	1.30
8	0.93	1.30
8B	1.15	1.48
9	1.30	1.60
10	1.50	1.95

ARKANSAS (03)

**302. LOSS SETTLEMENT OPTIONS**

Functional Replacement Cost Loss Settlement – **HO 00 02, HO 00 03** and **HO 00 05** only

- A. The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.
- B. The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.
- C. Develop the BASE PREMIUM in accordance with Rule **301** for the amount of insurance selected for this option.

Use Endorsement **F-4711** Functional Replacement Cost Loss Settlement. Not valid in combination with the Excess Dwelling Coverage Endorsement **HO 23 47**, Signature Homeowners Endorsement **F-4706**, Signature Plus Endorsement **F-4707**, Ordinance or Law Coverage **HO 04 77** or Repair Cost Endorsement **LS 23 89**.

**303. ORDINANCE OR LAW COVERAGE**

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form **HO 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount of Coverage

1. The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted below, 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 the ordinance or law.

2. Premium

a. Forms **HO 00 02, HO 00 03** and **HO 00 05**

To develop the BASE PREMIUM multiply the premium computed in accordance with Rule 301. by the appropriate factor below.

Percentage of Coverage A		
Increase in Amount	Total Amount	Factors
15%	25%	1.03
40%	50%	1.07
65%	75%	1.11
90%	100%	1.15
For each add'l 25% increment, add		0.04

**Table 303.B.2.a. Factors**

b. Forms **HO 00 04** and **HO 00 06**

See Rule **513**. for rating instructions.

Use Endorsement **HO 04 77** – Ordinance or Law Coverage – Increased Amount of Coverage

## ARKANSAS (03)

**304. SPECIAL PERSONAL PROPERTY COVERAGE – FORMS HO 00 04 and HO 00 06**

## A. Coverage Description

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.
2. This option may only be used when:
  - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
  - b. For Form **HO 00 06**, the condominium or cooperative unit is owner-occupied and not rented to others.

## B. Premium Computation

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule **301**. by the factor shown on the rate pages.

## C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**305. MARKET VALUE PROGRAM – Standard Program Only**

- A. The Market Value Program is a modification of the Homeowners Policy by use of the Repair Cost Endorsement **LS 23 89** with the Homeowners Form **HO 00 02** Broad Form Policy.
- B. Coverage and limits on certain types of property will remain identical to that of the Homeowners Form **HO 00 02**.
- C. Replacement Cost Coverage for coverages A and B under Form **HO 00 02** is modified by the Repair Cost Endorsement **LS 23 89**.
- D. Losses to the following, whether or not attached to the structure, will be adjusted on an actual cash value basis: outdoor radio and television antenna and aerials, carpeting, awnings and domestic appliances.
- E. The insured may elect one of two settlement options under the Repair Cost Endorsement **LS 23 89**.
  1. Repair cost settlement. The damaged property will be repaired to similar condition and appearance prior to loss, without deduction for depreciation based on the use of conventional construction materials and methods. Materials used are to be commonly and currently available without extraordinary expense
  2. The insured may elect a cash settlement based on the actual cash value of the damaged or destroyed property or the limit of liability that applies to the damaged or destroyed building, whichever is less. Actual cash value is based on current replacement cost with deduction for depreciation.
  3. The terms and conditions of the policy and forms to which the endorsement is attached, unless otherwise specified, remain in full force and effect.
- F. Minimum Coverage of \$20,000 and 100% of Market Value.
- G. Premiums may be billed through agent's account, direct to policyholder, or on mortgagee's escrow account.
- H. The replacement cost amount used for rating (not Coverage A) will be annually adjusted for inflation. See "Market Value Policy Rating".
- I. Not valid in combination with the Excess Dwelling Coverage Endorsement **HO 23 47**, Signature Homeowners Endorsement **F-4706** Signature Plus Endorsement **F-4707** or Endorsement **F-4711** Functional Replacement Cost Loss Settlement.

## ARKANSAS (03)

## 305. MARKET VALUE PROGRAM (continued)

**Market Value Policy Rating:**

1. Determine the amount of insurance desired -- \$20,000 minimum.
2. Determine 100% Replacement Cost.
3. Develop Standard Program premium based on 100% of Replacement Cost for **HO 00 02**.
4. Determine the percentage relationship between the amount of insurance requested and 100% of Replacement Cost Value; round to the nearest 10%.
5. Find the percentage relationship from the Factor Chart below.
6. Multiply the factor by the premium developed in Item 3 above to obtain the Market Value Premium.

**FACTOR CHART**

Percentage Relationship	Factor
90	1.11
80	1.08
70	1.05
60	1.02
50	.99
40	.95
30	.89
20	.82
10	.72

## Example:

(Premiums used are for demonstration purposes only, not actual premiums.)

1. Coverage A amount insurance = \$20,000
2. Full Replacement Cost of dwelling = \$110,000
3. Premium developed for **HO 00 02** (\$110,000 Cov. A) = \$244
4. Relationship between Coverage A amount and Full Replacement Cost = \$20,000 divided by \$110,000 = 18.2%, rounded to 20%
5. 20% is equivalent to the .82 factor from the Factor Chart
6.  $(.82) \times \$244 = \$200.08$ , rounded to \$200.

**401. SUPERIOR CONSTRUCTION**

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry ADJUSTED BASE PREMIUM for a comparable dwelling or apartment unit by a factor of .85.

**402. TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT HO 00 04 and HO 00 06**

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the BASE PREMIUM by the appropriate factor selected from the following table.

Total No. of Individual Family Units Within the Fire Division*	Protection Class	
	1 – 8	9 & Over
<b>1 or 2 Family Dwelling</b>		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
<b>3 or 4 Family Dwelling</b>		
3 & 4	1.00	1.00
5 – 8	1.15	1.20

**Table 402. Townhouse and Row House Factors**

\* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

In the Preferred Program, town/row houses must meet the Single Building Definition (Rule 109.).

**403. PERSONAL PROPERTY (COVERAGE C) – REPLACEMENT COST LOSS SETTLEMENT**

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. Coverage C is increased to 70% of Coverage A limit.

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:
  - a. Jewelry;
  - b. Furs and garments trimmed with fur or consisting principally of fur;
  - c. Cameras, projection machines, films and related articles of equipment;
  - d. Musical equipment and related articles of equipment;
  - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
  - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

**403. PERSONAL PROPERTY (COVERAGE C) – REPLACEMENT COST LOSS SETTLEMENT** (continued)

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:
  - a. Actual cash value of the property sustaining loss;
  - b. The amount for which the property could be repaired or replaced; or
  - c. 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.

**E. Scheduled Personal Property (With Agreed Value Loss Settlement)**

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

**F. Premium Determination**

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

1. 1.10 for all forms except **HO 00 04** and **HO 00 06**.
2. 1.35 for Forms **HO 00 04** or **HO 00 06**.

**404. PROTECTIVE DEVICES**

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium, developed by applying the selected factors to the ADJUSTED BASE PREMIUM.

Type of Installation *	Factor
Central Station Reporting Burglar Alarm	.95
Central Station Reporting Fire Alarm	.95
Combined Central Station Reporting Burglar Alarm and Central Station Reporting Fire Alarm	.90
Police Station Reporting Burglar Alarm	.97
Fire Department Reporting Fire Alarm	.97
Combined Police Station Reporting Burglar Alarm and Fire Department Reporting Fire Alarm	.94
Local Fire Alarm	.98
Local Burglar Alarm	.98
Combined Local Fire Alarm and Local Burglar Alarm	.96
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.92
Fire Extinguishers	.98
Dead Bolts	.98
Combined Fire Extinguishers and Dead Bolts	.96

\* Refer to company for eligibility, types of systems and devices, installation, and available credits.

\*\* Maximum credit for burglar alarms, fire alarms and automatic sprinklers combined is .20.

Use Endorsement **HO 04 16** – Premises Alarm or Fire Protection System.

**406. DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. Refer to the Earthquake Coverage rule for applicable deductible provision.

A. Base Deductible  
 \$500 Deductible

B. Optional Deductible  
 \$250 Deductible

To develop the premium for this option, multiply the ADJUSTED BASE PREMIUM by the factor shown below.

C. Optional Higher Deductibles

The premium for this provision shall be developed by applying the **factors** listed below to the ADJUSTED BASE PREMIUM.

Deductible	Factor	
	HO-2, 3, 5	HO-4, 6
\$ 250	1.15	1.15
750	.95	.95
1,000	.90	.90
1,500	.86	.86
2,000	.83	.83
2,500	.79	.79
5,000	.67	.67
7,500	.62	Not Available
10,000	.59	Not Available
15,000	.55	Not Available
20,000	.52	Not Available

D. Windstorm or Hail Deductibles – All Forms Except HO 00 04 and HO 00 06

The following deductible options are used in conjunction with the deductible applicable to All Other Section I Perils

Note: The Windstorm or Hail Percentage Deductible x the Coverage A Amount must be greater than the All Other Perils Deductible amount.

1. Deductible amounts of 1%, 2%, 5%, 7.5% and 10% are available. The percentage applies to the policy's amount of insurance issued for Coverage A.
2. Attach Endorsement HO 03 12, Windstorm or Hail Percentage Deductible, to the policy.
3. Separately enter, on the policy declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils.

Example: Deductible – Section I \$500 except 5% for Windstorm or Hail Deductible.

4. In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**Example:**

Cov.	Limit of Liability	2% Ded.	Amt. of Loss	
			Before Ded.	After Ded.
A	\$100,000	\$2,000	\$ 7,500	–
B	50,000		3,000	–
C	10,000		1,350	–
D	20,000		660	–
			\$12,510	\$10,510

**406. DEDUCTIBLES** (continued)

6. The factors displayed below incorporate the factors for the All Perils Deductibles shown in C., above. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

Deductible Factors

To compute the premium for this provision, multiply the ADJUSTED BASE PREMIUM by the factor listed below for the deductible amount selected.

All Other Perils Ded. Amount	Windstorm or Hail Deductible Amount				
	1%	2%	5%	7.5%	10%
\$ 250	1.09	1.05	1.00	0.99	0.98
500	0.95	0.91	0.87	0.86	0.85
750	0.90	0.86	0.83	0.82	0.81
1,000	0.86	0.82	0.78	0.77	0.77
1,500	0.82	0.78	0.75	0.74	0.73
2,000	0.79	0.76	0.72	0.71	0.71
2,500	0.75	0.72	0.69	0.68	0.67
5,000	0.64	0.61	0.58	0.58	0.57
7,500	0.59	0.56	0.54	0.53	0.53
10,000	0.56	0.54	0.51	0.51	0.50
15,000	0.55	0.55	0.48	0.47	0.47
20,000	0.52	0.52	0.45	0.45	0.44

**450. NEWLY PURCHASED HOME CREDIT – FORMS HO 00 02, HO 00 03, or HO 00 05**

Dwellings purchased by the named insured within six (6) months of the original policy inception date will receive a newly purchased home credit for three years from the original date of policy issuance. The factor below will be applied to the ADJUSTED BASE PREMIUM for the first three policy terms.

Policy Term (Years)	Factor*
1st Term	0.97
2nd Term	0.98
3rd Term	0.99
4th Term or more	1.00

\* If the year built of the dwelling also qualifies for the New Home Credit, the higher of the Newly Purchased Home or New Home Credit will be applied.

**451. AGE OF HOME FACTOR – FORMS HO 00 02, HO 00 03, or HO 00 05**

Dwellings less than ten (10) years of age are eligible for a discount

The age of the dwelling is determined by subtracting the year in which construction of the house was completed from the inception year of the policy.

Select the **factor** shown below according to the age of the dwelling. The premium for this provision shall be developed by applying the **factor** listed below to the ADJUSTED BASE PREMIUM.

Age of Dwelling (Years)	Factor
1 year or less	.70
2 years	.73
3 years	.76
4 years	.79
5 years	.82
6 years	.85
7 years	.88
8 years	.91
9 years	.94
10 years	.97
11 to 40 years	1.00
41 years and older	1.10

**452. LOSS FREE DISCOUNT**

A premium credit applies to the Primary Dwelling when the homeowner has not had a paid loss during the last three years. Loss experience will follow the named insured and not the dwelling.

See table below for applicable time frames and factors.

<b>Years With Our Company</b>	<b>Factor</b>
<3 years	.95
3+ years	.90

For the purpose of this rule, one Property Claims Service (PCS)-designated catastrophe claim will not be treated as a loss.

If a loss occurs after application of the credit, the credit will be removed at the next annual renewal.

This credit applies to the ADJUSTED BASE PREMIUM.

**453. COMPANION CREDIT**

When a Homeowners policy and a private passenger auto policy are issued to cover the same policyholder, a credit will be applied to the total Homeowners policy premium.

Credit Eligibility Clarification:

1. Dwelling must be a primary dwelling.
2. An active status private passenger auto policy number for the same policyholder must be included.
3. No duplication of credit given in conjunction with any other multiple account credit.

Multiply the applicable policy premium by .85.

**454. LOSS SURCHARGE**

A loss surcharge applies to the policy for one or more paid losses in a three year period immediately preceding the policy's renewal date.

A. All paid losses covered under the homeowner policy coverage form that occurred within the last three years will be counted for surcharge purposes EXCEPT:

1. Weather-related losses which include wind, hail, lightning, rain and freezing claims; and
2. Catastrophe claims.

B. The surcharge is developed and applied on a per home basis.

C. The surcharge is applied as follows:

1 loss	20%
2 losses	30%
3 losses	45%
4 or more	60%

**455. GROUP DISCOUNT**

A discount for new and renewal business within a Company-approved group funded by a reduction in the commissions paid to the producer due to the decrease in acquisition costs to the producer from marketing to a targeted group of individuals. The group must be approved by the Company's Home Office Underwriting management, and shall be composed of participants that are employees of a common employer, or members of a common organization or association that has been formed in good faith for purposes other than that of obtaining insurance. The group must have a commonality of purpose, independent of obtaining insurance, and could include professional occupational associations (e.g. bar associations, Jaycees), alumni associations, or employer groups. Members of the group could also include the member's spouse and unmarried children. A member insured will lose the discount at the next expiration of the policy upon termination of their membership or association in the approved group.

**455. GROUP DISCOUNT** (continued)

The amount of the discount for all groups will be 5%. The discount will be applied to the total Homeowners policy premium for individuals after excluding any premium for the following endorsements:

- HO 04 60&HO 04 61- Scheduled Personal Property
- F-4507- Homeowners Full House Insurance Coverage
- F-4278A- Blanket Jewelry Endorsement
- F-4289- Adult Residential Community Endorsement
- F-4666- Back Up of Sewer or Drain

**458. WOODBURNING STOVES**

Homes with woodburning stoves will be surcharged \$75. Woodstoves are defined as follows: any freestanding, fixed area heater or central solid/wood fueled heating device.

**459. MATURE HOMEOWNERS DISCOUNT**

A credit of 2% may be applied to the base premium when a named insured is age 55 years or older.

**460. HAZARDOUS CONDITION / TRAMPOLINE / POOL SLIDE OR DIVING BOARD SURCHARGE**

A. If there is a hazardous condition which is not corrected by the insured and which increases the likelihood of loss covered by this policy, the following factor applies:

An uncorrected hazardous condition            1.50

Hazardous Conditions include:

1. Electrical and Heating systems which present an undue risk of fire.
2. Plumbing systems which present a higher than average likelihood of sudden water discharge.
3. Roofs and other Outside Maintenance of Structures which increase the likelihood or severity of weather-related loss.
4. Premises Maintenance or Housekeeping characteristics, or an Adjacent Physical Hazard that would be considered unsafe and increase the chance of loss under the property or liability coverage of the policy.

If the Hazardous Condition(s) is corrected during the policy term, the corresponding surcharge will be eliminated the date that the corrections were completed.

B. Any insured that owns or has a trampoline or pool with a slide and/or diving board on premises will receive a premium charge for each as follows:

Trampoline	\$50
Pool with slide and/or diving board	\$25

**461. LIFE INSURANCE / ANNUITY POLICY CREDIT**

A premium credit of 5% will be applied to the total policy premium when a named insured has a homeowner policy and qualifying Life Insurance or Annuity policy with Harleysville.

Credit Eligibility:

1. Named insured listed on homeowner policy must match named insured on Life or Annuity policy.
2. Eligible Life / Annuity policies include: Harleysville Elite Term, Whole Life, Universal Life, Group Life and Accumulator Deferred Annuity.
3. This discount is in addition to any other applicable companion credits and applies only once regardless of the number of Life or Annuity policies in the household.
4. This credit will terminate at the first renewal following termination of the eligible Life or Annuity policy.

**462. FINANCIAL FACTOR**

The following factor applies to policies based on the financial stability of the named insured as documented by a consumer reporting agency credit profile designated by Harleysville Insurance. The financial stability will be verified on each new policy.

We will update the credit history and financial factor upon the request of the insured and/or update as required by the Arkansas Department of Insurance.

If the consumer reporting agency returns a message stating the file can not be scored due to no report on file or due to insufficient data to develop a score, the policy will be rated without the use of credit history, using factor 1.00.

462. FINANCIAL FACTOR (continued)

Financial Description	Factor
Financial Factor 1	0.73
Financial Factor 2	0.77
Financial Factor 3	0.81
Financial Factor 4	0.90
Financial Factor 5	0.94
Financial Factor 6	1.00
Financial Factor 7	1.08
Financial Factor 8	1.21
Financial Factor 9	1.27
Financial Factor 10	1.30
Financial Factor 11	1.52
Financial Factor 12	2.06
Financial Factor 88 (no hit)	1.00
Financial Factor 99 (no score)	1.00

472. CONDOMINIUM ASSOCIATION CREDIT – FORM HO 00 06 ONLY

When a condominium policy (**HO 00 06**) and the Condominium Association's commercial property policy for the same location are both written by a Harleysville Insurance company, a 3% credit will be applied to the total **HO 00 06** policy premium.

Credit eligibility clarification:

1. Condominium must be owner occupied.
2. An active status Harleysville commercial policy number for the Condominium Association policy must be included.

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SECTION I COVERAGES – PROPERTY

502. BUILDING ADDITIONS AND ALTERATIONS – INCREASED LIMIT – FORM HO 00 04

- A. The limit of liability of 10% of Coverage C may be increased.
- B. To develop the premium per \$1,000 of insurance, multiply the HO 00 04 Key Factor for "Each Additional \$1,000" by the HO 00 04 Key Premium.

Use Endorsement HO 04 51 – Building Additions and Alterations Increased Limits.

503. BUSINESS PROPERTY – INCREASED LIMITS

- A. On-Premises
  - 1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
  - 2. Charge \$24 for each \$2,500 increase.
  - 3. The limit of liability in excess of \$2,500 does not apply to:
    - a. Business property in storage or held as a sample or for sale or delivery after sale.
    - b. Business property pertaining to a business actually conducted on the residence premises. (This exposure is addressed by HO 04 42 – Permitted Incidental Occupancies.)

B. Off-Premises

When the on-premises limit is increased, the off-premises limit of \$500 is automatically increased, at no additional charge, to an amount that is 20% of the total on-premises limit of liability.

C. Use Endorsement HO 04 12 – Increased Limits of Business Property.

504. CREDIT CARD, ELECTRONIC FUND TRANSFER CARD OR ACCESS DEVICE, FORGERY AND COUNTERFEIT MONEY

Coverage may be increased for loss by forgery or alteration in connection with credit cards, checks or drafts, or loss due to acceptance of counterfeit paper money. The basic policy provides \$500. The additional premium shall be developed as follows:

<b>New Limit</b>	
\$ 1,000.....	\$ 1
2,500.....	3
5,000.....	4
7,500.....	5
10,000.....	6

Use Endorsement HO 04 53 – Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money Coverage Increased Limits.

505. EARTHQUAKE COVERAGE

A. Coverage Description

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement HO 04 54.

B. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule.

Properties located in Earthquake Zone 2 **MUST** be written with a minimum Earthquake deductible of 15%.

Properties located in Earthquake Zone 3 **MUST** be written with a minimum Earthquake deductible of 10%.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B and C.

Earthquake rates are displayed for the 5% and 10% deductibles. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph E. Premium for Higher Deductibles of this rule.

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505. EARTHQUAKE COVERAGE (continued)

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners.

Use Endorsement **HO 04 36** for all Forms.

D. Premium for Base Deductible – Rates per \$1,000

Develop the premium as follows:

1. Determine the Earthquake zone and refer to the appropriate table.
2. Determine the Policy Form that applies.
3. Select the rate according to construction type and deductible percentage from the Rate Table; and
4. Multiply the rate determined above by the:
  - a. Coverage A limit for Owners Forms without Signature Plus (**HO 00 02, HO 00 03 & HO 00 05**)
  - b. Coverage A limit for Owners Forms with Signature Plus (**HO 00 03**)
  - c. Coverage C limit for Owners Forms with Increased Coverage **C** (**HO 00 02, HO 00 03 & HO 00 05**)
  - d. Coverage C limit for Renter Form (**HO 00 04**)
  - e. Coverage C limit for Condo Form without Signature Plus (**HO 00 06**)
  - f. Coverage A limit for Condo Form with or without Signature Plus (**HO 00 06**)
  - g. Coverage B, D, Building Additions and Loss Assessment increased limits
  - h. Ordinance or Law total amount of insurance.

E. Premium for Higher Deductibles

Multiply the earthquake premium as developed for the 10% deductible above by the appropriate factor below:

Deductible Percentage	Factor	
	Frame & Superior	Masonry/Log
15%	.80	.80
20%	.65	.70
25%	.50	.60

† If exterior Masonry Veneer is covered, rate as masonry. If **not** covered, rate as Frame.

Policy Forms Zone 2 (Minimum 15% Deductible Required)	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	2.04	1.84	2.88	2.59	2.04	1.84
Owners – HO 3 with Signature Plus Coverage & HO 5	1.51	1.36	2.13	1.92	1.51	1.36
Owners – HO 2, 3 & 5 Increased Coverage C	1.32	1.19	1.44	1.30	1.32	1.19
Renters – HO 4	1.32	1.19	1.44	1.30	1.32	1.19
Condo – HO 6	1.32	1.19	1.44	1.30	1.32	1.19
Condo – HO 6 Coverage A with/without Signature Plus	1.32	1.19	1.44	1.30	1.32	1.19
Increased Coverage B, D, Building Additions and Loss Assessment	1.32	1.19	1.44	1.30	1.32	1.19

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Policy Forms Zone 3 (Minimum 10% Deductible Required)	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	1.65	1.49	2.42	2.18	1.65	1.49
Owners – HO 3 with Signature Plus Coverage & HO 5	1.22	1.10	1.79	1.61	1.22	1.10
Owners – HO 2, 3 & 5 Increased Coverage C	1.10	0.99	1.21	1.09	1.10	0.99
Renters – HO 4	1.10	0.99	1.21	1.09	1.10	0.99
Condo – HO 6	1.10	0.99	1.21	1.09	1.10	0.99
Condo – HO 6 Coverage A with/without Signature Plus	1.10	0.99	1.21	1.09	1.10	0.99
Increased Coverage B, D, Building Additions and Loss Assessment	1.10	0.99	1.21	1.09	1.10	0.99

Policy Forms Zone 4	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	1.14	1.03	1.43	1.29	1.14	1.03
Owners – HO 3 with Signature Plus Coverage & HO 5	0.84	0.76	1.06	0.96	0.84	0.76
Owners – HO 2, 3 & 5 Increased Coverage C	0.67	0.60	0.86	0.77	0.67	0.60
Renters – HO 4	0.67	0.60	0.86	0.77	0.67	0.60
Condo – HO 6	0.67	0.60	0.86	0.77	0.67	0.60
Condo – HO 6 Coverage A with/without Signature Plus	0.67	0.60	0.86	0.77	0.67	0.60
Increased Coverage B, D, Building Additions and Loss Assessment	0.67	0.60	0.86	0.77	0.67	0.60

Policy Forms Zone 5	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	0.50	0.45	0.68	0.61	0.50	0.45
Owners – HO 3 with Signature Plus Coverage & HO 5	0.46	0.41	0.61	0.55	0.46	0.41
Owners – HO 2, 3 & 5 Increased Coverage C	0.41	0.37	0.54	0.49	0.41	0.37
Renters – HO 4	0.41	0.37	0.54	0.49	0.41	0.37
Condo – HO 6	0.41	0.37	0.54	0.49	0.41	0.37
Condo – HO 6 Coverage A with/without Signature Plus	0.41	0.37	0.54	0.49	0.41	0.37
Increased Coverage B, D, Building Additions and Loss Assessment	0.41	0.37	0.54	0.49	0.41	0.37

Policy Forms Zone 6	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	0.32	0.29	0.41	0.37	0.32	0.29
Owners – HO 3 with Signature Plus Coverage & HO 5	0.31	0.28	0.40	0.36	0.31	0.28
Owners – HO 2, 3 & 5 Increased Coverage C	0.29	0.26	0.38	0.34	0.29	0.26
Renters – HO 4	0.29	0.26	0.38	0.34	0.29	0.26
Condo – HO 6	0.29	0.26	0.38	0.34	0.29	0.26
Condo – HO 6 Coverage A with/without Signature Plus	0.29	0.26	0.38	0.34	0.29	0.26
Increased Coverage B, D, Building Additions and Loss Assessment	0.29	0.26	0.38	0.34	0.29	0.26

## ARKANSAS (03)

**Earthquake Zones**

**2 – Clay, Craighead, Crittenden, Cross, Greene, Mississippi and Pointsett**

**3 – Jackson, Lawrence, Lee, Monroe, Prairie, Randolph, Saint Francis and Woodruff**

**4 – Arkansas, Baxter, Cleburne, Conway, Desha, Faulkner, Fulton, Independence, Izard, Jefferson, Lincoln, Lonoke, Phillips, Pulaski, Sharp, Stone, Van Buren and White**

**5 – Boone, Bradley, Calhoun, Clark, Cleveland, Dallas, Drew, Garland, Grant, Hot Spring, Johnson, Marion, Newton, Perry, Pope, Saline, Searcy and Yell**

**6 – Ashley, Benton, Carroll, Chicot, Columbia, Crawford, Franklin, Hempstead, Howard, Lafayette, Little River, Logan, Madison, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Scott, Sebastian, Sevier, Union and Washington**

**507. FORM HO 00 06 COVERAGE A DWELLING – BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE****A. Basic Limits**

The policy automatically provides a basic Coverage **A** limit of \$5,000 on a named perils basis. If increased limits are not desired, enter "\$5,000" under Coverage **A** – Dwelling on the Declarations pages.

**B. Increased Limits**

The basic limit may be increased. The premium is developed based on the additional limit of insurance. The premium for each additional \$1,000 of insurance is developed as follows:

Multiply the **HO 00 06** Key Factor for "Each Add'l \$1,000" by the **HO 00 06** without **HO 17 31** Key Premium and round to the nearest dollar.

**C. Special Coverage**

The Section **I** Perils Insured Against may be broadened to cover additional risks of loss. The additional premium for \$5,000 in the Basic Form is \$2. The rate for each additional \$1,000 of Coverage **A** is \$1.

Use Endorsement **HO 17 32** – Unit Owners Coverage A – Special Coverage.

**508. FORM HO 00 06 – UNITS REGULARLY RENTED TO OTHERS – Standard Program Only**

**A.** When a condominium unit or cooperative apartment is rented to others, coverage may be provided for theft or personal property

**B. Premium:**

Multiply the Coverage **C** BASE PREMIUM (less credit for higher deductibles) by a factor of .25.

Use Endorsement **HO 17 33** – Unit Owners Rental to Others.

**509. UNIT OWNERS RENTED TO OTHERS – ADDITIONAL INSURED**

When a professional property management company is added as an additional insured a yearly charge of \$25 is applied.

Use Endorsement **HO 12 45** – Change Endorsement.

**510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES**

**A.** Coverage for a permitted incidental occupancy is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** coverage and Section **II** coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises.

Use Endorsement **HO 04 42** – Permitted Incidental Occupancies – Residence Premises, for Sections **I** and **II** coverage.

**B. Permitted Incidental Occupancies**

Examples of such occupancies are Offices, Schools or Studios, meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

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510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES (continued)

- C. If the permitted incidental occupancy is located in an other structure, Coverage **B** does not apply to that structure. See E. below, for charge for specific insurance on the structure.
- D. The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A**.
- E. Premium:
  - 1. Section I
    - a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
    - b. If the permitted incidental occupancy is located in another structure, charge \$5 per \$1,000 of specific insurance on the structure.
  - 2. Section II
    - Refer to Rule **608**. to develop the premium for the increased Coverages **E** and **F** exposure.

511. LOSS ASSESSMENT COVERAGE

A. Residence Premises

1. Coverage Description

The policy 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. (Refer to Rule **505**. Earthquake Coverage for the Earthquake rule of application.)

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.

3. Premium

All Forms except **HO 00 03**, **HO 00 05** or **HO 00 06** with **HO 17 32**:

**New Amount of Coverage**

\$ 5,000 .....	\$ 3
10,000 .....	5
Each Add'l \$5,000 up to \$50,000.....	1

**HO 00 03**, **HO 00 05** or **HO 00 06** with **HO 17 32**:

**New Amount of Coverage**

\$ 5,000 .....	\$ 4
10,000 .....	7
Each Add'l \$5,000 up to \$50,000.....	2

B. Additional Locations

1. Coverage Description

- a. 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.
- b. No more than 2 additional locations can be written in addition to the residence premises.

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511. LOSS ASSESSMENT COVERAGE (continued)

2. Premium

The rates apply to each location covered:

All Forms except HO 00 03, HO 00 05 or HO 00 06 with HO 17 32:

New Amount of Coverage

\$ 1,000.....	\$ 5
5,000.....	8
10,000.....	10
Each Add'l \$5,000 up to \$50,000.....	1

HO 00 03, HO 00 05 or HO 00 06 with HO 17 32:

New Amount of Coverage

\$ 1,000.....	\$ 6
5,000.....	10
10,000.....	12
Each Add'l \$5,000 up to \$50,000.....	2

Endorsement F-4607 does not cover loss to property under Section I caused by Earthquake.

Use Endorsement F-4607 – Loss Assessment Coverage.

512. LOSS OF USE – INCREASED LIMIT

When the limit of liability for Coverage D is increased, charge \$4 per \$1,000 of additional insurance.

513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – FORMS HO 00 04 and HO 00 06

A. Coverage Increase

1. The basic amount of coverage may be initially increased to 100% of the Form HO 00 04 Building Additions and Alterations limit or 50% of the HO 00 06 Coverage A limit.
2. The amount may be further increased in 25% increments above those listed above.

B. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the HO 00 04 or HO 00 06 (whichever is appropriate) Key Factor for "Each Add'l \$1,000" by .30 and then multiplying that amount by the appropriate Key Premium.

Use Endorsement HO 04 77 – Ordinance or Law Coverage.

514. OTHER STRUCTURES

A. When insurance is written on a specific structure on the residence premises for:

1. increased limits, or
2. rented to others for residential purposes

the rates per \$1,000 of insurance mentioned below shall apply separately to each structure.

B. Increased Limits

Rate per \$1,000 .....\$4

Use Endorsement HO 04 48 – Other Structures on the Residence Premises – Increased Limits.

C. Rented to Others – Residence Premises

Use the sum of:

1. the rate of \$5 per \$1,000 of insurance, and
2. the premium for the increased Coverages E and F exposure, as developed from the Section II rules of this manual.

Use Endorsement HO 04 40 – Structures Rented To Others – Residence Premises.

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514. OTHER STRUCTURES (continued)

D. Off Premises Structures

All Forms – When insurance is written on a specific structure located away from the residence premises, the rate of \$5 per \$1,000 of insurance shall apply separately to each location.

Use Endorsement **HO 04 92** – Specific Structures Away From Residence Premises.

515. PERSONAL PROPERTY

A. Increased Limit

The limit of liability for Coverage C may be increased.

Rate per \$1,000:

- 1. **HO 00 02** or **HO 00 03** .....\$2
- 2. **HO 00 05** ..... 3

B. Increased Limits – Other Residences

Coverage for personal property usually located 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.

Rate per \$1,000 .....\$7

Use Endorsement **HO 04 50** – Increased Limits on Personal Property in Other Residences.

C. Reduction in Limit

The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.D**. The credit per \$1,000 is \$1.

D. Increased Special Limits of Liability

1. Jewelry, Watches and Furs

The special limit of liability of \$1,500 for theft of jewelry, watches and furs may be increased to a maximum of \$6,500 but not exceeding \$1,000 for any one article.

Rate per \$1,000.....\$17

2. Money and Securities

The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,500 limit on securities may be increased to a maximum of \$3,000.

Rate per \$100 Money.....\$6  
 Securities..... 4

3. Silverware, Goldware and Pewterware

The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500.

Rate per \$500 .....\$1

4. Firearms

The special limit of liability of \$2,500 for loss by theft of firearms may be increased to a maximum of \$6,500 in increments of \$100.

Rate per \$100.....\$3

5. Electronic Apparatus

a. The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability of being operated by other sources of power:

- (1) Up to \$1,500 for apparatus in or upon a motor vehicle or motorized land conveyance, and
- (2) Up to \$1,500 for apparatus **not** in or upon a motor vehicle that is away from the residence premises and used for business.

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515. PERSONAL PROPERTY (continued)

b. Each of these limits may be increased to a maximum of \$6,000 in increments of \$500.

Rate per \$500.....\$10

Use Endorsement **HO 04 65** – Coverage C Increased Special Limits of Liability.

Use Endorsement **HO 04 66** – Coverage C Increased Special Limits of Liability for **HO 00 04** with **HO 05 24**, **HO 00 05** or **HO 00 06** with **HO 17 31**.

E. Refrigerated Personal Property

1. The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.

2. A deductible of \$100 applies.

3. The premium is \$10.

Use Endorsement **HO 04 98** – Refrigerated Property Coverage.

516. PERSONAL PROPERTY – SCHEDULED

A. Introduction

Coverage may be provided on scheduled personal property.

B. Loss Settlement

1. Endorsement **HO 04 61** provides for standard loss settlement for all classes of property except Fine Arts; and agreed value loss settlement for Fine Arts.

2. Endorsement **HO 04 60** provides for agreed value loss settlement for the following classes:

- a. Cameras
- b. Furs
- c. Jewelry
- d. Musical Instruments
- e. Silverware
- f. Stamps and Rare Coins

This endorsement may also be used for scheduled articles of Fine Arts.

C. Endorsements

1. Use Scheduled Personal Property Endorsement **HO 04 61** for standard loss settlement or agreed value loss settlement for fine arts.

2. Use Scheduled Personal Property (with Agreed Value Loss Settlement) Endorsement **HO 04 60** for agreed value loss settlement.

D. Premium

Use the rate per \$100 of insurance shown in the table below to calculate the Standard Loss Settlement (**HO 04 61**) premiums.

When the Agreed value Loss Settlement form (**HO 04 60**) option is desired, multiply the standard loss settlement rate per \$100 of insurance by **1.20** to determine the final rate for each class.

Refer to underwriting guidelines before binding:

**Annual Rates per \$100 of Insurance – Standard Loss Settlement**

Class	Rate	Class	Rate
Cameras	.57	Musical Instruments	.17
Coins	.33	Silverware	.04
Furs	.07	Stamps	.21
Jewelry	.50		
Jewelry in Vaults	.22		

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516. PERSONAL PROPERTY – SCHEDULED (continued)

Fine Arts – Basic Premium Chart – Entire State

Amount of Insurance	1-4 Families		5+ Families	
	Masonry, Log & Frame		Masonry, Log & Frame	
	Protection Class 1-8	Protection Class 8B, 9 & 10	Protection Class 1-8	Protection Class 8B, 9 & 10
\$ 1,000	\$ 2	\$ 4	\$ 5	\$ 8
2,000	3	6	7	11
3,000	4	7	9	14
4,000	5	9	11	17
5,000	6	10	12	20
6,000	7	12	14	23
7,000	8	13	16	26
8,000	9	15	18	29
9,000	10	16	20	32
10,000	11	18	22	35
11,000	12	19	24	38
12,000	13	21	25	41
13,000	14	22	27	44
14,000	15	24	29	47
15,000	16	25	31	50
16,000	16	27	33	53
17,000	17	28	35	56
18,000	18	30	37	59
19,000	19	31	38	62
20,000	20	33	40	65
21,000	21	34	42	68
22,000	22	36	44	71
23,000	23	37	46	74
24,000	24	39	48	77
25,000	25	40	50	80
30,000	29	48	59	95
35,000	34	55	68	110
40,000	39	63	78	125
45,000	43	70	87	140
50,000	48	78	96	155
100,000	95	153	189	305

Fine Arts Rates Over \$100,000 (Rate per \$1000)

Masonry/Log	Frame
Protection Class	Protection Class
1-10	1-10
\$1	\$1

A Minimum premium of \$17 per year applies.

**Fine Arts Breakage**

Coverage may be provided against the risk of breakage on certain items insured under Endorsement **HO 04 61**. The additional premium shall be 1.38 per \$1,000 of insurance.

Use Endorsement **HO 04 61** – Scheduled Personal Property.

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518. SINKHOLE COLLAPSE COVERAGE – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Determination

Multiply 0.33 per \$1,000 by:

- (1) Coverage A amount of insurance;
- (2) Increased Limits for Coverage C and D;
- (3) Loss Assessment Coverage, increased limits and additional locations;
- (4) Ordinance or Law Coverage, basic amount and, if applicable, increased amount of coverage;
- (5) Other Building or Structure options (e.g., Other Structures HO 04 40, HO 04 48 and HO 04 92; Building Additions and Alterations HO 04 51).

Use Endorsement HO 04 99 – Sinkhole Collapse.

519. SPECIAL COMPUTER COVERAGE – ALL FORMS EXCEPT HO 00 04 with HO 05 24, HO 00 05 or HO 00 06 with HO 17 31

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

The premium is \$14.

Use Endorsement HO 04 14 – Special Computer Coverage.

521. WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW

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.

The policy may be endorsed to provide such coverage for the limits noted below subject to a \$250 Deductible. No other deductible option is available.

Rates:

\$ 40	for \$ 5,000 limit
70	for \$10,000 limit
85	for \$15,000 limit
120	for \$25,000 limit
190	for \$50,000 limit

Use Endorsement F-4666 Back Up of Sewer or Drain Coverage.

522. LANDLORDS FURNISHINGS

A. Basic Limit

Forms HO 00 02, HO 00 03 and HO 00 05 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 unit is \$2,500.

B. Increased Limits

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.

C. Premium

Rate per \$500 .....\$2

D. Endorsement

Use Landlord's Furnishings Endorsement HO 05 46.

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**523. ASSISTED LIVING CARE COVERAGE**

A. Introduction

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 that insured's household.
2. An assisted living care facility is a 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.

Increased limits are not available.

C. Premium

The additional annual premium shall be \$75 per person / location.

D. Endorsement

Use Assisted Living Care Coverage Endorsement **HO 04 59**.

**524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD**

A. Introduction

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. Coverage Description

1. 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.
2. All coverages and provisions under Sections **I** and **II** of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages **A**, **B** and **D** (Fair Rental Value only).

C. Premium

The additional annual premium shall be \$58 per policy.

D. Endorsement

Use Other Members Of Your Household Endorsement **HO 04 58**.

**551. EXCESS DWELLING COVERAGE – FORMS HO 00 02, HO 00 03 and HO 00 05**

- A. This optional endorsement provides replacement cost on the building over the Coverage **A** limit of liability shown on the declarations page.

<b>Coverage Option</b>	
<b>Amount</b>	<b>Rating Factor</b>
Additional 25%	1.03

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551. EXCESS DWELLING COVERAGE – FORMS HO 00 02, HO 00 03 and HO 00 05 (continued)

B. The insured must agree to:

- 1. Insure the dwelling to 100% of its full replacement cost.
- 2. Maintain 100% of full replacement cost by accepting any yearly cost of construction adjustments.
- 3. Notify the company within 30 days of improvements to dwelling in excess of \$5,000 or 5% of the Coverage A limits.
- 4. Repair or replace the dwelling at the location insured with a dwelling of similar size, kind and quality.

C. Underwriting requirements are as follows:

- 1. Coverage A must be 100% of replacement cost.
- 2. Coverage C cannot be less than 50% of the Coverage A amount.
- 3. Replacement Cost Coverage may be written on Forms HO 00 02, HO 00 03 and HO 00 05 only.
- 4. Market value of the dwelling must be equal to 80% or more of replacement cost.

A Cost Estimator must accompany the application or policy.

Use Endorsement HO 23 47 – Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A – Dwelling).

552. HOMEOWNERS FULL HOUSE INSURANCE COVERAGE

This endorsement provides a package of increased limits and extra coverages including:

Increased Special Limits on Personal Property:

- Securities and Accounts ..... to \$2,000
- Loss by Theft of Jewelry & Furs ..... to \$5,500
- Loss by Theft of Silverware and Goldware ..... to \$5,000

Additional Coverages Increases:

- Credit Card/Fund Transfer limit increased to \$1,000

Added Coverages:

- Animal Death Coverage..... \$100 per animal/  
\$500 total limit
- Refrigerated Property Spoilage ..... \$500
- Lock Replacement ..... \$250
- Extra Mortgage Expense ..... \$10,000

Section II:

- Personal Injury Coverage included
- Claims expenses increased up to \$300 per day

The premium is \$30.

Use Endorsement F-4507 – Homeowners Full House Insurance Coverage.

555. HOME UNDER CONSTRUCTION ENDORSEMENT – FORM HO 00 03 ONLY

Coverage is available for homes under construction under Form HO 00 03 only.

Eligibility:

- 1. Coverage A – Dwelling amount must be insured up to 100% of estimated completed value.
- 2. Construction must be performed by a licensed building contractor and must be complete within 180 days.
- 3. Coverage ceases when home is occupied; 30 days after completion; or at first renewal; whichever comes first.

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555. HOME UNDER CONSTRUCTION ENDORSEMENT – FORMS HO 00 03 and HO 00 05 ONLY (continued)

**Additional Coverages provided at no charge:**

1. **Theft of Building Materials** which will become a part of the dwelling are covered up to the Coverage A limit. There is no coverage for tools or materials not destined to become a part of the dwelling.
2. If requested, **Section I and II** Coverages extended to the **Temporary Residence Premises** occupied by the insured and **shown on the endorsement**.
3. **Theft of Personal Property** from the dwelling under construction is covered if the property is taken from a **locked building**. **Payment is limited to 10% of Coverage C** for theft from the dwelling or the Temporary Residence Premises.
4. **Loss of Use** is covered if a delay in occupancy results from a covered peril.
5. **Collapse** includes loss to the foundation from hydrostatic pressure from water below the surface of the ground.

Use **LS HO 01** – Home Under Construction Endorsement.

557. SIGNATURE<sup>SM</sup> HOMEOWNERS – FORMS HO 00 03, HO 00 04, HO 00 05 and HO 00 06  
SIGNATURE<sup>SM</sup> PLUS HOMEOWNERS – FORMS HO 00 03 and HO 00 06

- A. **SIGNATURE HOMEOWNERS** provides a package of increased limits and extra coverages including, but not limited to the following:

**Section I:**

Coverage A – Dwelling Replacement Cost Protection, capped at 125% of Coverage A limit  
Increases Coverage C limit to 70% of Coverage A limit  
Coverage C – Personal Property Replacement Cost Protection

**Increased Special Limits on Personal Property:**

Money ..... to \$1,000  
Securities ..... to \$5,500  
Watercraft ..... to \$2,500  
Trailers ..... to \$3,500  
Business Property on residence premises ..... to \$10,000  
Business Property away from residence premises ..... to \$1,250  
Loss by Theft of Jewelry & Furs ..... to \$5,500  
Loss by Theft of Silverware and Goldware ..... to \$10,000  
Loss by Theft of Firearms ..... to \$5,500

**Additional Coverages Increases:**

- Credit Card/Fund Transfer limit ..... to \$10,000
- Fire Department Service Charge ..... to \$1,000
- Loss Assessment ..... to \$5,000
- Limit for trees, shrubs and other plants increased to \$1,000 per item and the total limit is 5% of Coverage A for Forms **HO 00 02, HO 00 03 and HO 00 05** and 10% Coverage C for Forms **HO 00 04 and HO 00 06**.
- Coverage up to \$1000 for debris removal of insured's trees felled by windstorm or hail or weight of ice, snow or sleet; or removal of insured's neighbor's trees which fall on insured's property because of a Coverage C peril.

**Added Coverages:**

- Animal Death Coverage ..... \$100 per animal/  
\$500 total limit
- Refrigerated Property Spoilage ..... \$500
- Extra Expense Mortgage Coverage ..... \$10,000
- Lock Replacement up to \$500
- Ordinance or Law Coverage up to Coverage A limit of liability
- Fine Arts Blanket Coverage ..... \$5,000
- The inventory requirement is waived when there is total loss to the dwelling. The total amount of the Coverage C limit is paid.

**Section II:**

- Personal Injury Coverage included
- Damage to Property of Others increased to \$1,500
- Claims expenses increased up to \$300 per day
- Watercraft Liability Coverage for owned watercraft less than 32 feet in length

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557. SIGNATURE<sup>SM</sup> HOMEOWNERS – FORMS HO 00 03, HO 00 04, HO 00 05 and HO 00 06  
SIGNATURE<sup>SM</sup> PLUS HOMEOWNERS – FORMS HO 00 03 and HO 00 06 (continued)

**Eligibility:**

Refer to homeowners underwriting guidelines.

**Premium:**

Individual coverage may not be deleted from the endorsement. The premium is computed as follows:

1. From the Territory Table, select the premium for the applicable Territory.
2. From the Protection/Construction Table select the factor for the applicable Protection Class and Construction Type.
3. Multiply the Territory premium by the Protection Class/Construction Factor to develop the KEY PREMIUM.
4. Select the limit of liability from the Key Factor Chart.
5. Multiply the KEY PREMIUM by the KEY FACTOR.
6. Multiply the premium calculated in Step 5. above by 1.25 for HO 00 03 and HO 00 05 and 1.45 for HO 00 04 and HO 00 06 to develop the BASE PREMIUM.
7. All additional coverages are rated in accordance with the Sequence Rating Rule 300.
8. The liability charge for this endorsement is added last.

\* This premium is subject to additional credits and surcharges in accordance with Rule 300.

Use Endorsement F-4706 – Signature<sup>SM</sup> Homeowners Endorsement – Arkansas.

- B. SIGNATURE PLUS HOMEOWNERS provides the increased limits and extra coverages included in the SIGNATURE HOMEOWNERS listed above with the following enhancements:

**Section I:**

Coverage C – All Risk Coverage included

**Increased Special Limits on Personal Property:**

- Loss by theft, misplacing or losing of Jewelry, Watches & Furs to \$10,000  
The maximum amount we will pay for an individual item, pair or set in any one loss is \$5,000.

**Additional Coverages Increases:**

- Fire Department Service Charge ..... to \$2,000

**Added Coverages:**

- Police Department Service Charge .....\$50 per occurrence/  
\$250 per policy period
- Water Back-Up and Sump Discharge or Overflow..... \$20,000

**Premium:**

Individual coverage may not be deleted from the endorsement. The premium is multiplied by the following factors:

Form	Factor
HO 00 03	1.35
HO 00 06	1.55

Use Endorsement F-4707 – Signature<sup>SM</sup> Plus Homeowners Endorsement – Arkansas.

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558. IDENTITY FRAUD EXPENSE COVERAGE

A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available 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 and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for re-applying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limits of Liability

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

C. Premium Computation

The premium charge for this endorsement is \$35.

D. Endorsement

1. Use Identity Fraud Expense Coverage Endorsement **HO 04 55**.
2. This endorsement provides complete details on coverages, definitions and additional policy conditions applicable to this coverage.

560. ADULT RESIDENTIAL COMMUNITY COVERAGE

For insureds residing in Adult Residential Communities **that have been approved by the underwriting department.**

This endorsement provides replacement cost contents coverage and a package of increased limits and extra coverages including:

**Section I:**

Coverage C – Personal Property Replacement Cost Protection

Coverage C – All Risk Coverage

**Increased Special Limits on Personal Property:**

Money.....	to \$1,000
Securities and Accounts .....	to \$5,000
Loss by theft, misplacing or losing of jewelry to .....	to \$2,500
Loss by theft, misplacing or losing of silverware or goldware.....	to \$2,500

**Additional Coverage Increases:**

- Limit for trees, shrubs and other plants increased to \$1,000 per item and the total limit is 10% of Coverage C
- Credit Card/Fund Transfer limit increased to \$10,000
- Loss Assessment increased to \$10,000

**Added Coverages:**

- Animal Coverage.....\$100 per animal  
..... \$500 total limit
- Refrigerated Property Coverage.....\$500
- Lock Replacement .....
- Golfer's Equipment.....\$1500

**Section II:**

- Personal Injury coverage included
- Extended coverage for golf carts
- Claims expenses increased up to \$300 per day

**Premium:**

Individual coverage may not be deleted from the endorsement. The premium is multiplied by a factor of 1.40 and is not subject to further credits or debits.

Use Endorsement **F-4680** – Adult Residential Community Endorsement

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**561. BUSINESS IN THE HOME COVERAGE – FORMS HO 00 02, HO 00 03, HO 00 05 and HO 00 06 ONLY**

- A. Coverage of a home business is limited under Section I and excluded under Section II. The policy may be endorsed to provide expanded Section I and II coverage for a full or part-time home business, for certain classes, in the dwelling or in an other structure on the residence premises.
- B. If the home business is located in an other structure, Coverage B does not apply to that structure. See E. below for premium charge for specific insurance on that structure.
- C. The standard home business endorsement covers business personal property up to \$10,000 within the Coverage C limits stated in the declaration. The Home Business Solutions endorsement minimum limit is \$20,000. If increased Coverage C limits are desired, up to a maximum of \$50,000, the premium charge is \$4 per \$1,000.
- D. Home Business Solutions coverage also includes loss of actual business income in the event of a covered loss and \$2,500 in money under increased special limits on premises.

E. Premium

1. Section I

- a. Home business is located in the dwelling –

Standard rate ..... \$125  
 Home Business Solutions rate ..... \$170

- b. Home business is located in an other structure – Add \$4 per \$1,000 of specific insurance on the structure to the applicable rate in a., above.

2. Section II

- a. Coverage E – Liability

(1) Classifications – The appropriate Class Code should be entered on the Supplemental Application.

(2) Rates

(a) **Minimum Limit**                      **Rate**

\$300,000 Mandatory              \$13

(Note: If policy liability limit is currently less than \$300,000, the Standard or Preferred liability limit must be raised to \$300,000.)

(b) **Increased Limits** – Rates shown below include the rate for \$300,000 liability, the increased limit of liability (Rule 601), and the additional liability charge for the in-home business exposure.

\$500,000                                      \$29

(3) For the Home Business Solutions Endorsement, the Aggregate Limit of Liability is twice the combined limit of Sections I and II.

- b. Coverage F – Medical Payments

Limit	Rate
\$1,000	–
2,000	\$ 6
3,000	14
5,000	28

Home Business Solutions – \$2,000 Medical Payments included at no charge.

For Standard coverage use endorsement **F-4533** – Business in the Home Coverage, for Sections I and II. For Home Business Solutions Coverage use endorsement **F-4532** – Home Business Solutions.

F. Endorsements

Financial arrangements of the home business may require the use of one or more of the following endorsements:

- 1. Lessor of leased equipment – When business equipment is leased, use endorsement **F-4285**, Additional Insured – Lessor of Leased Equipment, to provide the lessor with notice of cancellation and protection for vicarious liability for the acts of the insured.
- 2. Should a third party extend a loan or mortgage involved with financing the home business or franchise, use endorsement **F-4281**, Additional Insured – Financial Interest.
- 3. The company who holds the franchise may request status as an additional insured, the right to be notified of cancellation. Use endorsement **F-4284**, Additional Insured – Grantor of Franchise.
- 4. For loss payees who have financed business equipment, use endorsement **F-4280**, Loss Payable Provisions (Business in the Home).

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**562. BLANKET JEWELRY ENDORSEMENT**

- A. The policy may be endorsed to provide blanket coverage on jewelry. Limits of liability are available under this option in increments of \$5,000 up to a maximum of \$50,000. An individual item limit of \$5,000 applies.
- B. The premium charge is:
  - \$50 for the first \$5,000
  - \$30 for each additional \$5,000 increment

Use Endorsement **F-4278A** – Blanket Jewelry Endorsement.

**564. BOAT ENDORSEMENT**

Special rules and rates apply for inland marine coverage of boats, including outboard motors, boat accessories, inboard-outboard boats, sailboats, personal watercraft & similar jet powered watercraft and trailers. Coverage settled on an Actual Cash Value basis is afforded on an all-risk basis by adding Boat Endorsement **IM-4480** to a Homeowners policy. A 100% coinsurance clause applies.

**Eligibility** – See *Homeowners Underwriting Guidelines* for additional eligibility restrictions

The base deductible is equal to \$250.

The policy may be endorsed to provide a higher flat deductible of \$500 or \$1,000. The premium is developed by applying the following premium credits against the appropriate \$250 deductible premium from the premium tables.

\$500 Deductible	15% credit
\$1,000 Deductible	25% credit

The annual minimum premium is \$25, subject to a minimum earned premium of \$15 for this coverage.

If a boat is used more often on the Great Lakes, indicate Condition 2.c. on Endorsement **IM-4480**.

**Rates:**

Outboard Motors and Boats	\$1.35 per \$100
Inboard-Outboard Units	\$1.42 per \$100
Inboards	\$1.55 per \$100
Sailboats	\$0.85 per \$100
Personal Watercraft & jet-powered watercraft:	
Standard Performance	\$2.00 per \$100
Performance Units	\$3.00 per \$100

Use Boat Endorsement **IM-4480**.

**565. MISCELLANEOUS PROPERTY FLOATER**

The Miscellaneous Property Floater offers a means of providing coverage on property not covered under classes not found in other rules in this manual.

Coverage can be provided on either **IM-4478**, Named Perils Form or **IM-4479**, Special Form. Coverage is provided within the limits of the United States and Canada.

Deductible is to be stated on the form.

A complete description of covered items is to be stated on the form.

Rates vary depending on type of item, type of coverage, deductible, exposures, etc. Refer to Company for classes not shown.

	Named Perils per \$100	Special Form per \$100	Required Deductible
Personal Computers – other than laptops	0.85	1.00	\$100
Laptops	3.50	4.00	\$100
Lawn Tractors	2.50	3.00	\$100
Stereo Equipment, VCRs , DVDs	0.85	1.00	\$100

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**565. MISCELLANEOUS PROPERTY FLOATER** (continued)

Contact underwriting before binding:

- 1) individual items valued in excess of \$15,000; or
- 2) schedules in excess of \$50,000.

Minimum premiums are \$50 for **IM-4478**, Named Perils Form and \$75 for **IM-4479**, Special Form.

Use Miscellaneous Property Floater – Named Perils – **IM-4478** or Miscellaneous Property Floater Special Form – **IM-4479**.

**566. SPORTS EQUIPMENT FLOATER**

This coverage insures against all-risks of loss or damage to property insured, except as excluded or limited in the form, and can be added to a Homeowners policy by means of **HO 04 61** and **IM-153**. Coverage is provided within the territory of Canada and the United States, excluding Alaska and Hawaii. Sports equipment schedules should include the name of the item, the manufacturer, the serial number and any other descriptive information available.

Rate: \$3 per \$100

Use Sports Equipment Floater – **IM-153**

**567. SNOWMOBILES, TRACTORS AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE**

The basic homeowner policy (all forms) excludes personal property coverage for owned motor vehicles and all other motorized land conveyances including their equipment and accessories while upon the vehicle or conveyance.

Owned vehicles or conveyances not subject to motor vehicle registration which are used to service an insured's residence or are designed for assisting the disabled are covered for named perils. See policy for exclusions.

**A. Eligibility** – Refer to Homeowner Underwriting Guidelines for additional requirements.

1. Snowmobiles, tractors and motorized land conveyances such as all-terrain vehicles (ATV) or golf carts are eligible if written in conjunction with the homeowners policy and otherwise meet eligibility requirements.
2. Units used in whole or in part for organized races are ineligible.
3. Units modified from their original design must receive prior approval.
4. Snowmobiles and motorized land conveyances used on a public road or subject to motor vehicle registration are ineligible.
5. Tractors used occasionally off the residence premises and not subject to motor vehicle registration are eligible if they otherwise meet eligibility requirements.
6. Snowmobiles over 600cc's or all-terrain vehicles over 400cc's may be subject to a surcharge if accepted.

**B. Coverage:** Units are insured for risks of direct loss subject to exclusions. Specific coverage automatically includes:

1. Equipment which is permanently attached.
2. Accessories designed for use therewith.

**C. Amount of Insurance:** Coverage applies to the extent of actual cash value (ACV). Premiums are based upon the ACV of all equipment to be insured.

1. Determine current ACV.
2. Sum total of ACV for each individual:
  - a. Snowmobile, tractor, all terrain vehicle or golf cart
  - b. Equipment attached hereto.
  - c. Accessories
  - d. Trailer
3. Reference – actual sales receipt for a recent purchase, or a current appraisal service such as NADA, Edmunds or other official trade in guide.

**D. Deductible:** Each unit is subject to a minimum deductible of \$250. Deductible options of \$500 and \$1,000 are available.

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567. SNOWMOBILES, TRACTORS AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE (continued)

E. Automatic Coverage

Coverage is automatically extended for a period of 14 days to cover replacement or newly acquired units of similar class and kind.

F. Exclusions: Coverage is excluded for units:

1. subject to motor vehicle registration.
2. used to carry persons for a fee.
3. used for business purposes.
4. rented to others.
5. used in prearranged races, speed contests, and competitions.

G. Rates

	Snowmobiles, ATV and Trailers					
	Standard Performance			High Performance		
	\$250 ded	\$500 ded	\$1000 ded	\$250 ded	\$500 ded	\$1000 ded
\$ 0 – \$1,500	\$36	\$30	\$25	\$54	\$45	\$38
1,501 – 2,000	\$60	\$50	\$42	\$90	\$75	\$63
2,001 – 2,500	\$84	\$70	\$59	\$126	\$105	\$89
2,501 – 3,000	\$107	\$90	\$76	\$161	\$135	\$114
3,001 – 3,500	\$131	\$109	\$93	\$197	\$164	\$140
3,501 – 4,000	\$155	\$129	\$110	\$233	\$194	\$165
4,001 – 4,500	\$179	\$149	\$127	\$269	\$224	\$191
4,501 – 5,000	\$203	\$169	\$144	\$305	\$254	\$216
5,001 – 5,500	\$227	\$189	\$161	\$341	\$284	\$242
5,501 – 6,000	\$251	\$209	\$178	\$377	\$314	\$267
6,001 – 6,500	\$275	\$229	\$194	\$413	\$344	\$291
6,501 – 7,000	\$298	\$249	\$211	\$447	\$374	\$317
7,001 – 7,500	\$322	\$269	\$228	\$483	\$404	\$342
7,501 – 8,000	\$346	\$288	\$245	\$519	\$432	\$368
8,001 – 8,500	\$370	\$308	\$262	\$555	\$462	\$393
8,501 – 9,000	\$394	\$328	\$279	\$591	\$492	\$419
9,001 – 9,500	\$418	\$348	\$296	\$627	\$522	\$444
9,501 - 10,000	\$442	\$368	\$313	\$663	\$552	\$470
10,001 - 10,500	\$466	\$388	\$330	\$699	\$582	\$495
10,501 - 11,000	\$489	\$408	\$347	\$734	\$612	\$521
11,001 - 11,500	\$513	\$428	\$364	\$770	\$642	\$546
11,501- 12,000	\$537	\$448	\$381	\$806	\$672	\$572

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## 567. SNOWMOBILES AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE (continued)

	Golf Carts		
	\$250 ded	\$500 ded	\$1000 ded
\$ 0 –\$1,500	\$30	\$25	\$21
1,501 – 2,000	\$50	\$41	\$35
2,001 – 2,500	\$70	\$58	\$49
2,501 – 3,000	\$90	\$75	\$63
3,001 – 3,500	\$109	\$91	\$78
3,501 – 4,000	\$129	\$108	\$92
4,001 – 4,500	\$149	\$124	\$106
4,501 – 5,000	\$169	\$141	\$120
5,001 – 5,500	\$189	\$158	\$134
5,501 – 6,000	\$209	\$174	\$148
6,001 – 6,500	\$229	\$191	\$162
6,501 – 7,000	\$249	\$207	\$176
7,001 – 7,500	\$269	\$224	\$190
7,501 – 8,000	\$288	\$240	\$204
8,001 – 8,500	\$308	\$257	\$218
8,501 – 9,000	\$328	\$274	\$233
9,001 – 9,500	\$348	\$290	\$247
9,501 - 10,000	\$368	\$307	\$261
10,001 - 10,500	\$388	\$323	\$275
10,501 - 11,000	\$408	\$340	\$289
11,001 - 11,500	\$428	\$356	\$303
11,501- 12,000	\$448	\$373	\$317

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567. SNOWMOBILES AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE (continued)

	Tractors		
	\$250 ded	\$500 ded	\$1000 ded
\$ 0 –\$1,500	\$30	\$25	\$21
1,501 – 2,000	\$50	\$41	\$35
2,001 – 2,500	\$70	\$58	\$49
2,501 – 3,000	\$90	\$75	\$63
3,001 – 3,500	\$109	\$91	\$78
3,501 – 4,000	\$129	\$108	\$92
4,001 – 4,500	\$149	\$124	\$106
4,501 – 5,000	\$169	\$141	\$120
5,001 – 5,500	\$189	\$158	\$134
5,501 – 6,000	\$209	\$174	\$148
6,001 – 6,500	\$229	\$191	\$162
6,501 – 7,000	\$249	\$207	\$176
7,001 – 7,500	\$269	\$224	\$190
7,501 – 8,000	\$288	\$240	\$204
8,001 – 8,500	\$308	\$257	\$218
8,501 – 9,000	\$328	\$274	\$233
9,001 – 9,500	\$348	\$290	\$247
9,501 - 10,000	\$368	\$307	\$261
10,001 - 10,500	\$388	\$323	\$275
10,501 - 11,000	\$408	\$340	\$289
11,001 - 11,500	\$428	\$356	\$303
11,501- 12,000	\$448	\$373	\$317
12,001 - 12,500	\$468	\$390	\$331
12,501 – 13,000	\$488	\$407	\$345
13,001 – 13,500	\$508	\$424	\$359
13,501 – 14,000	\$528	\$441	\$373
14,001 – 14,500	\$548	\$458	\$387
14,501 – 15,000	\$568	\$475	\$401
15,001 – 15,500	\$588	\$492	\$415
15,501 – 16,000	\$608	\$509	\$429
16,001 – 16,500	\$628	\$526	\$443
16,501 – 17,000	\$648	\$543	\$457
17,001 – 17,500	\$668	\$560	\$471
17,501 – 18,000	\$688	\$577	\$485
18,001 – 18,500	\$708	\$594	\$499
18,501 – 19,000	\$728	\$611	\$513
19,001 – 19,500	\$748	\$628	\$527
19,501 – 20,000	\$768	\$645	\$541

For amounts not shown, refer to company.

Use Endorsement **IM-4483** – Snowmobile and Motorized Land Conveyance – Physical Damage

Refer to Rule **616**. for Liability Coverage.

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**568. GUN FLOATER**

Gun schedules should include a description of each gun including the name of the manufacturer, the serial or identifying number, model, caliber or gauge, finish and if available, the cost and date of purchase.

Rate per \$100 – \$3.00

Use Gun Endorsement – **IM-4471**

**601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS/OTHER EXPOSURES – BASIC LIMITS**

A. Residence Premises

1. Basic Limits of Liability

Coverage E..... \$100,000  
 Coverage F.....\$1,000

The premium for these limits is included in the BASE PREMIUM.

2. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.

a. Coverage E – Liability

<b>1 &amp; 2 Family Limit</b>	<b>Rate</b>
\$100,000	–
300,000	\$4
500,000	6

<b>3 &amp; 4 Family Limit</b>	<b>Rate</b>
\$100,000	–
300,000	\$9
500,000	13

b. Coverage F – Medical Payments

<b>Limit</b>	<b>Rate</b>
\$1,000	–
2,000	\$ 3
3,000	6
5,000	11

B. Other Exposures

1. There is an additional charge for Other Exposures listed in the following rules.
2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises; unless otherwise indicated.
3. For increased limits for Other Exposures, refer to Rules **701.** and **702.**
4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

C. Rates and Factors Not Shown

1. For rates and factors for limits above the highest shown, refer to company.

**602. OTHER INSURED LOCATION OCCUPIED BY INSURED**

- A. Section II coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I coverage under another insurance program or by another company.
- B. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the manual for that state.

C. Rate per Residence

One Family .....\$ 7  
 Two Family .....13  
 Three Family .....26  
 Four Family .....28

**603. RESIDENCE EMPLOYEES**

- A. There is no additional charge for up to two residence employees.
- B. The premium is \$5 per person in excess of two employees.
- C. Charges do not apply to employees working less than half of the customary full time or to whom the workers compensation exclusion applies as stated in Section II of the policy.

**604. ADDITIONAL RESIDENCE RENTED TO OTHERS**

A. The policy may be endorsed to provide coverage when an additional residence is rented to others.

B. Rate per Residence

One Family .....	\$18
Two Family .....	28
Three Family .....	60
Four Family .....	74

Use Endorsement **HO 24 70** – Additional Residence Rented to Others.

**605. OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES**

A. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.

B. Refer to Rule **514.C.** for rating Section **I** Coverage.

C. Rate per structure .....\$18

Use Endorsement **HO 04 40** – Structures Rented to Others – Residence Premises.

**608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES and OTHER RESIDENCES**

A. The policy may be endorsed to provide coverage for the increased exposure arising from a permitted incidental occupancy on the residence premises or in an other residence occupied by the insured.

1. Residence Premises

Use Endorsement **HO 04 42** – Permitted Incidental Occupancies Residence Premises.

2. Other Residence

Use Endorsement **HO 24 43** – Permitted Incidental Occupancies – Other Residences.

B. Rate per Residence

Residence Premises .....	\$16
Other Residence .....	17

**609. BUSINESS PURSUITS**

A. The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.

B. Rate per Insured Person

1. Clerical Employees.....	\$4
2. Sales person, Collector or Messenger – Installation, demonstration or servicing operation:	
Included.....	\$7
Excluded.....	4
3. Teachers	
a. Laboratory, athletic, manual or physical training .....	\$12
b. Not otherwise classified.....	5
c. Corporal punishment (add 3.a. or b.) .....	4

Use Endorsement **HO 24 71** – Business Pursuits.

**610. PERSONAL INJURY**

- A. 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 policy.
  - B. Rate per policy .....\$12
- Use Endorsement **HO 24 82** – Personal Injury.

**612. OUTBOARD MOTORS AND WATERCRAFT**

- A. Coverage is included in the policy form, at no additional charge, for watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power.
- B. Coverage is available, for an additional premium, for the following watercraft when scheduled in the endorsement:
  - 1. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower, inboard, inboard-outdrive engines or motors and personal watercraft or similar jet-propelled watercraft.  
 Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
  - 2. Sailboats 26 to 30 feet in overall length, with or without auxiliary power.
- C. Coverage must be written to expiration of the policy.
- D. For boats not described above, coverage is not permitted under the Homeowners Policy.  
*See Homeowner Guidelines for additional eligibility restrictions.*
- E. The premium in the state where the insured's residence premises is located shall apply.
- F. 1. Outboard Engines or Motors

Horsepower	Length	
	Up to 15 Feet	Over 15 to 26 Feet
Up to 50*	\$38	\$60
51 – 100	65	86
101 – 150	92	113
151 – 200	119	140
Over 200	169	170

2. Inboard-Outdrive Engines or Motors

Horsepower	Length	
	Up to 15 Feet	Over 15 to 26 Feet
Up to 50	\$38	\$60
51 – 100	65	86
101 – 150	92	113
151 – 200	119	140
Over 200	169	170

3. Inboard Engines or Motors

Horsepower	Length	
	Up to 15 Feet	Over 15 to 26 Feet
Up to 50	\$38	\$60
51 – 100	65	86
101 – 150	92	113
151 – 200	119	140
Over 200	169	170

**612. OUTBOARD MOTORS AND WATERCRAFT (continued)**

- 4. Sailboats With or Without Auxiliary Power

<b>Overall Length/Feet</b>	<b>Rate</b>
26 to 30 feet*	\$38

\* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

- 5. Personal Watercraft & similar jet-powered watercraft

<b>Standard Performance</b>	<b>Performance Units</b>
\$81	\$122

Use Endorsement **HO 24 75** – Watercraft.

**615. INCIDENTAL FARMING PERSONAL LIABILITY**

A. On the Residence Premises

- 1. The policy may be endorsed to provide coverage for the liability of the insured when farming is conducted on the residence premises and is incidental to the use of the premises as a dwelling, and the income derived from the farming operation is not the insured's primary source of income. However, coverage is not available if the location specified in the endorsement is used for racing purposes.
- 2. The policy may also be endorsed to provide coverage when the residence premises is used for the sheltering and grazing of animals. However, coverage is not available if the residence premises is used for racing purposes.
- 3. Premium .....\$38

B. Away from the Residence Premises

- 1. The policy may be endorsed to provide coverage for the liability of the insured whose incidental farming activities are conducted at the locations specified in the endorsement which are away from the residence premises. Such incidental farming activities may include the boarding or grazing of the insured's animals, or use of the land as garden space if the income derived from such activities is not the insured's primary source of income. However, coverage is not available if the locations specified in the endorsement are used for racing purposes.
- 2. Premium .....\$57

Use Endorsement **HO 24 72** – Incidental Farming Personal Liability.

**616. SNOWMOBILE, TRACTOR AND MOTORIZED LAND CONVEYANCE LIABILITY**

The basic homeowner policy (all forms) excludes liability for an insured's operation of motorized land conveyances except under limited situations. In general, coverage is provided for owned motorized land conveyances only while on the residence premises. Non-owned units (rented or loaned) are covered for liability, but physical damage to the non-owned conveyance is limited to \$500 – Damage to Property of Others. See form for specific exclusions.

**A. Eligibility – See Homeowner guidelines for additional eligibility restrictions**

- 1. Snowmobiles, tractors and motorized land conveyances such as all-terrain vehicles (ATV) or golf carts are eligible if written in conjunction with the homeowners policy and otherwise meet eligibility requirements.
- 2. Vehicles used in whole or in part for organized races are ineligible.
- 3. Vehicles modified from their original design must receive prior approval.
- 4. Snowmobiles and Motorized Land Conveyances used on a public road or subject to motor vehicle registration are ineligible.
- 5. Tractors used occasionally off the residence premises and not subject to motor vehicle registration are eligible if they otherwise meet eligibility requirements.
- 6. Snowmobiles over 600cc's or all-terrain vehicles over 400cc's may be subject to a surcharge if accepted.

**616. SNOWMOBILE, TRACTOR AND MOTORIZED LAND CONVEYANCE LIABILITY** (continued)

B. **Coverage:** Each snowmobile, tractor, golf cart or ATV **must be separately described in the declarations with a liability charge.** The premium charge shall apply to each unit.

C. **Exclusions:** Coverage is excluded for units:

1. subject to motor vehicle registration;
2. used to carry persons for a charge;
3. used for "business" purposes;
4. rented to others; or
5. operated in any prearranged or organized race, speed contest or other competition.

D. **Rates:**

Liability Coverage **E** and Medical Payments Coverage **F**

<b>Snowmobile and Motorized Land Conveyance Liability</b>	
Basic Limits Premium	
Standard Performance Units	Performance Units
\$35	\$53

**Golf Cart Liability**  
Basic Limits Premium – \$9

**Tractor Liability**  
Basic Limits Premium – \$9

See Rules **701** and **702** for increased limits factors.

Attach endorsement **IM-4484** – Snowmobile and Motorized Land Conveyance Liability.

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701. OTHER EXPOSURES – INCREASED LIMITS

1. Coverage E – Liability

Apply the appropriate factor shown below to the **Basic Limits** premium for each exposure.

Limit	Factor
\$300,000	1.24
500,000	1.35

702. OTHER EXPOSURES – MEDICAL PAYMENTS TO OTHERS INCREASED LIMITS

Rule # & Coverage F – Medical Payments	Basic Limit		
	\$2,000	\$3,000	\$5,000
602. Other Insured Locations Occupied by Insured	\$ 1	\$ 2	\$ 4
603. Residence Employees	1	2	4
604. Additional Residence Rented to Others	1	2	4
605. Other Structures Rented to Others – Residence Premises	1	2	4
608. Permitted Incidental Occupancies			
1. Residence Premises	5	10	18
2. Other Residence	3	6	10
609. Business Pursuits			
Clerical Employees	1	2	4
Salesperson, Installation, etc. – Included or Excluded	1	2	4
Teachers			
Laboratory, etc.	2	4	7
Not Otherwise Classified	1	2	4
Corporal Punishment	Medical Payments Not Available		
612. Outboard Motors and Watercraft			
1. Outboard Motors, Inboard or Inboard-Outdrive Engines or Motors			
a. 150 HP or less	8	15	27
b. More than 150 HP	11	23	40
2. Sailboats, with or without auxiliary power			
26 to 30 feet	3	6	10
3. Personal watercraft & jet-powered watercraft	8	15	27
615. Incidental Farming Personal Liability	1	2	4
616. Snowmobiles and Motorized Land Conveyances	3	6	10
Golf Carts	1	2	4
Tractors	1	2	4

## ARKANSAS (03)

## HOMEOWNERS RATING TERRITORIES

Zip Code	USPS Zip Code Name	Territory
71601	PINE BLUFF	350
71602	WHITE HALL	350
71603	PINE BLUFF	350
71611	PINE BLUFF	350
71612	WHITE HALL	350
71613	PINE BLUFF	350
71630	ARKANSAS CITY	210
71631	BANKS	60
71635	CROSSETT	20
71638	DERMOTT	90
71639	DUMAS	210
71640	EUDORA	90
71642	FOUNTAIN HILL	20
71643	GOULD	400
71644	GRADY	400
71646	HAMBURG	20
71647	HERMITAGE	60
71651	JERSEY	60
71652	KINGSLAND	130
71653	LAKE VILLAGE	90
71654	MC GEHEE	210
71655	MONTICELLO	220
71656	MONTICELLO	220
71657	MONTICELLO	220
71658	MONTROSE	20
71659	MOSCOW	350
71660	NEW EDINBURG	130
71661	PARKDALE	20
71662	PICKENS	400
71663	PORTLAND	20
71665	RISON	130
71666	MC GEHEE	210
71667	STAR CITY	400
71670	TILLAR	210
71671	WARREN	60
71674	WATSON	210
71675	WILMAR	220
71676	WILMOT	20
71677	WINCHESTER	220
71678	YORKTOWN	400
71701	CAMDEN	520
71711	CAMDEN	520
71720	BEARDEN	520
71721	BEIRNE	100
71722	BLUFF CITY	500
71724	CALION	700
71725	CARTHAGE	200
71726	CHIDESTER	520
71728	CURTIS	100
71730	EL DORADO	700
71731	EL DORADO	700
71740	EMERSON	140
71742	FORDYCE	200
71743	GURDON	100
71744	HAMPTON	70
71745	HARRELL	70

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Zip Code	USPS Zip Code Name	Territory
71747	HUTTIG	700
71748	IVAN	200
71749	JUNCTION CITY	700
71750	LAWSON	700
71751	LOUANN	520
71752	MC NEIL	140
71753	MAGNOLIA	140
71754	MAGNOLIA	140
71758	MOUNT HOLLY	700
71759	NORPHLET	700
71762	SMACKOVER	700
71763	SPARKMAN	200
71764	STEPHENS	520
71765	STRONG	700
71766	THORNTON	70
71768	URBANA	700
71770	WALDO	140
71772	WHELEN SPRINGS	100
71801	HOPE	290
71802	HOPE	290
71820	ALLEENE	410
71822	ASHDOWN	410
71823	BEN LOMOND	670
71825	BLEVINS	290
71826	BRADLEY	370
71827	BUCKNER	370
71828	CALE	500
71831	COLUMBUS	290
71832	DE QUEEN	670
71833	DIERKS	310
71834	DODDRIDGE	460
71835	EMMET	500
71836	FOREMAN	410
71837	FOUKE	460
71838	FULTON	290
71839	GARLAND CITY	460
71840	GENOA	460
71841	GILLHAM	670
71842	HORATIO	670
71845	LEWISVILLE	370
71846	LOCKESBURG	670
71847	MC CASKILL	290
71851	MINERAL SPRINGS	310
71852	NASHVILLE	310
71853	OGDEN	410
71854	TEXARKANA	460
71855	OZAN	290
71857	PRESCOTT	500
71858	ROSSTON	500
71859	SARATOGA	290
71860	STAMPS	370
71861	TAYLOR	140
71862	WASHINGTON	290
71864	WILLISVILLE	500
71865	WILTON	410
71866	WINTHROP	410
71901	HOT SPRINGS NATIONAL PARK	260
71902	HOT SPRINGS NATIONAL PARK	260

ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
71903	HOT SPRINGS NATIONAL PARK	260
71909	HOT SPRINGS NATIONAL PARK	260
71910	HOT SPRINGS VILLAGE	260
71913	HOT SPRINGS NATIONAL PARK	260
71914	HOT SPRINGS NATIONAL PARK	260
71920	ALPINE	100
71921	AMITY	100
71922	ANTOINE	550
71923	ARKADELPHIA	100
71929	BISMARCK	300
71932	BOARD CAMP	570
71933	BONNERDALE	300
71935	CADDO GAP	490
71937	COVE	570
71940	DELIGHT	550
71941	DONALDSON	300
71942	FRIENDSHIP	300
71943	GLENWOOD	550
71944	GRANNIS	570
71945	HATFIELD	570
71949	JESSIEVILLE	260
71950	KIRBY	550
71951	HOT SPRINGS NATIONAL PARK	260
71952	LANGLEY	550
71953	MENA	570
71956	MOUNTAIN PINE	260
71957	MOUNT IDA	490
71958	MURFREESBORO	550
71959	NEWHOPE	550
71960	NORMAN	490
71961	ODEN	490
71962	OKOLONA	100
71964	PEARCY	260
71965	PENCIL BLUFF	490
71966	ODEN	490
71968	ROYAL	260
71969	SIMS	490
71970	STORY	490
71971	UMPIRE	310
71972	VANDERVOORT	570
71973	WICKES	570
71998	ARKADELPHIA	100
71999	ARKADELPHIA	100
72001	ADONA	530
72002	ALEXANDER	630
72003	ALMYRA	10
72004	ALTHEIMER	350
72005	AMAGON	340
72006	AUGUSTA	740
72007	AUSTIN	430
72010	BALD KNOB	730
72011	BAUXITE	630
72012	BEEBE	730
72013	BEE BRANCH	710
72014	BEEDEVILLE	340
72015	BENTON	630
72016	BIGELOW	530
72017	BISCOE	590

## ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72018	BENTON	630
72019	BENTON	630
72020	BRADFORD	340
72021	BRINKLEY	480
72022	BRYANT	630
72023	CABOT	430
72024	CARLISLE	430
72025	CASA	530
72026	CASSCOE	10
72027	CENTER RIDGE	150
72028	CHOCTAW	710
72029	CLARENDON	480
72030	CLEVELAND	150
72031	CLINTON	710
72032	CONWAY	230
72033	CONWAY	230
72034	CONWAY	230
72035	CONWAY	231
72036	COTTON PLANT	740
72037	COY	430
72038	CROCKETTS BLUFF	10
72039	DAMASCUS	710
72040	DES ARC	590
72041	DE VALLS BLUFF	590
72042	DE WITT	10
72043	DIAZ	340
72044	EDGEMONT	120
72045	EL PASO	730
72046	ENGLAND	430
72047	ENOLA	231
72048	ETHEL	10
72051	FOX	690
72052	GARNER	730
72053	COLLEGE STATION	600
72055	GILLETT	10
72057	GRAPEVINE	270
72058	GREENBRIER	231
72059	GREGORY	740
72060	GRIFFITHVILLE	590
72061	GUY	231
72063	HATTIEVILLE	150
72064	HAZEN	590
72065	HENSLEY	630
72066	HICKORY PLAINS	590
72067	HIGDEN	120
72068	HIGGINSON	730
72069	HOLLY GROVE	480
72070	HOUSTON	530
72072	HUMNOKE	430
72073	HUMPHREY	10
72074	HUNTER	740
72075	JACKSONPORT	340
72076	JACKSONVILLE	600
72078	JACKSONVILLE	600
72079	JEFFERSON	350
72080	JERUSALEM	710
72081	JUDSONIA	730
72082	KENSETT	730

ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72083	KEO	430
72084	LEOLA	270
72085	LETONA	730
72086	LONOKE	430
72087	LONSDALE	630
72088	FAIRFIELD BAY	710
72089	BRYANT	630
72099	LITTLE ROCK AIR FORCE BASE	600
72101	MC CRORY	740
72102	MC RAE	730
72103	MABELVALE	630
72104	MALVERN	300
72105	JONES MILL	300
72106	MAYFLOWER	230
72107	MENIFEE	150
72108	MONROE	480
72110	MORRILTON	150
72111	MOUNT VERNON	231
72112	NEWPORT	340
72113	MAUMELLE	600
72114	NORTH LITTLE ROCK	602
72115	NORTH LITTLE ROCK	602
72116	NORTH LITTLE ROCK	602
72117	NORTH LITTLE ROCK	602
72118	NORTH LITTLE ROCK	602
72119	NORTH LITTLE ROCK	602
72120	SHERWOOD	600
72121	PANGBURN	730
72122	PARON	630
72123	PATTERSON	740
72124	NORTH LITTLE ROCK	602
72125	PERRY	530
72126	PERRYVILLE	530
72127	PLUMERVILLE	150
72128	POYEN	270
72129	PRATTSVILLE	270
72130	PRIM	120
72131	QUITMAN	120
72132	REDFIELD	350
72133	REYDELL	350
72134	ROE	480
72135	ROLAND	600
72136	ROMANCE	730
72137	ROSE BUD	730
72139	RUSSELL	730
72140	SAINT CHARLES	10
72141	SCOTLAND	710
72142	SCOTT	600
72143	SEARCY	730
72145	SEARCY	730
72149	SEARCY	730
72150	SHERIDAN	270
72152	SHERRILL	350
72153	SHIRLEY	710
72156	SOLGOHACHIA	150
72157	SPRINGFIELD	150
72158	BENTON	630
72160	STUTT GART	10

## ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72164	SWEET HOME	600
72165	THIDA	320
72166	TICHNOR	10
72167	TRASKWOOD	630
72168	TUCKER	350
72169	TUPELO	340
72170	ULM	590
72173	VILONIA	231
72175	WABBASEKA	350
72176	WARD	430
72178	WEST POINT	730
72179	WILBURN	120
72180	WOODSON	600
72181	WOOSTER	231
72182	WRIGHT	350
72183	WRIGHTSVILLE	600
72190	NORTH LITTLE ROCK	602
72198	NORTH LITTLE ROCK	602
72199	NORTH LITTLE ROCK	602
72201	LITTLE ROCK	601
72202	LITTLE ROCK	601
72203	LITTLE ROCK	601
72204	LITTLE ROCK	601
72205	LITTLE ROCK	601
72206	LITTLE ROCK	601
72207	LITTLE ROCK	601
72209	LITTLE ROCK	601
72210	LITTLE ROCK	601
72211	LITTLE ROCK	601
72212	LITTLE ROCK	601
72214	LITTLE ROCK	601
72215	LITTLE ROCK	601
72216	LITTLE ROCK	601
72217	LITTLE ROCK	601
72219	LITTLE ROCK	601
72221	LITTLE ROCK	601
72222	LITTLE ROCK	601
72223	LITTLE ROCK	601
72225	LITTLE ROCK	601
72227	LITTLE ROCK	601
72231	LITTLE ROCK	601
72260	LITTLE ROCK	601
72295	LITTLE ROCK	601
72301	WEST MEMPHIS	180
72303	WEST MEMPHIS	180
72310	ARMOREL	470
72311	AUBREY	390
72312	BARTON	540
72313	BASSETT	470
72315	BLYTHEVILLE	470
72316	BLYTHEVILLE	470
72319	GOSNELL	470
72320	BRICKEYS	390
72321	BURDETTE	470
72322	CALDWELL	620
72324	CHERRY VALLEY	190
72325	CLARKEDALE	180
72326	COLT	620

## ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72327	CRAWFORDSVILLE	180
72328	CRUMROD	540
72329	DRIVER	470
72330	DYESS	470
72331	EARLE	180
72332	EDMONDSON	180
72333	ELAINE	540
72335	FORREST CITY	620
72336	FORREST CITY	620
72338	FRENCHMANS BAYOU	470
72339	GILMORE	180
72340	GOODWIN	620
72341	HAYNES	390
72342	HELENA	540
72346	HETH	620
72347	HICKORY RIDGE	190
72348	HUGHES	620
72350	JOINER	470
72351	KEISER	470
72352	LA GRANGE	390
72353	LAMBROOK	540
72354	LEPANTO	560
72355	LEXA	540
72358	LUXORA	470
72359	MADISON	620
72360	MARIANNA	390
72364	MARION	180
72365	MARKED TREE	560
72366	MARVELL	540
72367	MELLWOOD	540
72368	MORO	390
72369	ONEIDA	540
72370	OSCEOLA	470
72372	PALESTINE	620
72373	PARKIN	190
72374	POPLAR GROVE	540
72376	PROCTOR	180
72377	RIVERVALE	560
72379	SNOW LAKE	210
72383	TURNER	540
72384	TURRELL	180
72386	TYRONZA	560
72387	VANNDALE	190
72389	WABASH	540
72390	WEST HELENA	540
72391	WEST RIDGE	470
72392	WHEATLEY	620
72394	WIDENER	620
72395	WILSON	470
72396	WYNNE	190
72401	JONESBORO	160
72402	JONESBORO	160
72403	JONESBORO	160
72404	JONESBORO	160
72410	ALICIA	380
72411	BAY	160
72412	BEECH GROVE	280
72413	BIGGERS	610

ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72414	BLACK OAK	160
72415	BLACK ROCK	380
72416	BONO	160
72417	BROOKLAND	160
72419	CARAWAY	160
72421	CASH	160
72422	CORNING	110
72424	DATTO	110
72425	DELAPLAINE	280
72426	DELL	470
72427	EGYPT	160
72428	ETOWAH	470
72429	FISHER	560
72430	GREENWAY	110
72431	GRUBBS	340
72432	HARRISBURG	560
72433	HOXIE	380
72434	IMBODEN	610
72435	KNOBEL	110
72436	LAFE	280
72437	LAKE CITY	160
72438	LEACHVILLE	470
72439	LIGHT	280
72440	LYNN	380
72441	MC DOUGAL	110
72442	MANILA	470
72443	MARMADUKE	280
72444	MAYNARD	610
72445	MINTURN	380
72447	MONETTE	160
72449	O KEAN	610
72450	PARAGOULD	280
72451	PARAGOULD	280
72453	PEACH ORCHARD	280
72454	PIGGOTT	110
72455	POCAHONTAS	610
72456	POLLARD	110
72457	PORTIA	380
72458	POWHATAN	380
72459	RAVENDEN	380
72460	RAVENDEN SPRINGS	610
72461	RECTOR	110
72462	REYNO	610
72464	SAINT FRANCIS	110
72465	SEDGWICK	380
72466	SMITHVILLE	380
72467	STATE UNIVERSITY	160
72469	STRAWBERRY	380
72470	SUCCESS	110
72471	SWIFTON	340
72472	TRUMANN	560
72473	TUCKERMAN	340
72474	WALCOTT	280
72475	WALDENBURG	560
72476	WALNUT RIDGE	380
72478	WARM SPRINGS	610
72479	WEINER	560
72482	WILLIFORD	680

ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72501	BATESVILLE	320
72503	BATESVILLE	320
72512	HORSESHOE BEND	330
72513	ASH FLAT	680
72515	BEXAR	250
72517	BROCKWELL	330
72519	CALICO ROCK	30
72520	CAMP	250
72521	CAVE CITY	680
72522	CHARLOTTE	320
72523	CONCORD	120
72524	CORD	320
72525	CHEROKEE VILLAGE	680
72526	CUSHMAN	320
72527	DESHA	320
72528	DOLPH	330
72529	CHEROKEE VILLAGE	680
72530	DRASCO	120
72531	ELIZABETH	30
72532	EVENING SHADE	680
72533	FIFTY SIX	690
72534	FLORAL	320
72536	FRANKLIN	330
72537	GAMALIEL	30
72538	GEPP	250
72539	GLENCOE	250
72540	GUION	330
72542	HARDY	680
72543	HEBER SPRINGS	120
72544	HENDERSON	30
72545	HEBER SPRINGS	120
72546	IDA	120
72550	LOCUST GROVE	320
72553	MAGNESS	320
72554	MAMMOTH SPRING	250
72555	MARCELLA	690
72556	MELBOURNE	330
72560	MOUNTAIN VIEW	690
72561	MOUNT PLEASANT	330
72562	NEWARK	320
72564	OIL TROUGH	320
72565	OXFORD	330
72566	PINEVILLE	330
72567	PLEASANT GROVE	690
72568	PLEASANT PLAINS	320
72569	POUGHKEEPSIE	680
72571	ROSIE	320
72572	SAFFELL	380
72573	SAGE	330
72575	SALADO	320
72576	SALEM	250
72577	SIDNEY	680
72578	STURKIE	250
72579	SULPHUR ROCK	320
72581	TUMBLING SHOALS	120
72583	VIOLA	250
72584	VIOLET HILL	330
72585	WIDEMAN	330

## ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72587	WISEMAN	330
72601	HARRISON	50
72602	HARRISON	50
72611	ALPENA	50
72613	BEAVER	80
72615	BERGMAN	50
72616	BERRYVILLE	80
72617	BIG FLAT	30
72619	BULL SHOALS	450
72623	CLARKRIDGE	30
72624	COMPTON	510
72626	COTTER	30
72628	DEER	510
72629	DENNARD	710
72630	DIAMOND CITY	50
72631	EUREKA SPRINGS	80
72632	EUREKA SPRINGS	80
72633	EVERTON	50
72634	FLIPPIN	450
72635	GASSVILLE	30
72636	GILBERT	650
72638	GREEN FOREST	80
72639	HARRIET	650
72640	HASTY	510
72641	JASPER	510
72642	LAKEVIEW	30
72644	LEAD HILL	50
72645	LESLIE	650
72648	MARBLE FALLS	510
72650	MARSHALL	650
72651	MIDWAY	30
72653	MOUNTAIN HOME	30
72654	MOUNTAIN HOME	30
72655	MOUNT JUDEA	510
72657	TIMBO	690
72658	NORFORK	30
72659	NORFORK	30
72660	OAK GROVE	80
72661	OAKLAND	450
72662	OMAHA	50
72663	ONIA	690
72666	PARTHENON	510
72668	PEEL	450
72669	PINDALL	650
72670	PONCA	510
72672	PYATT	450
72675	SAINT JOE	650
72677	SUMMIT	450
72679	TILLY	250
72680	TIMBO	690
72682	VALLEY SPRINGS	450
72683	VENDOR	510
72685	WESTERN GROVE	510
72686	WITTS SPRINGS	650
72687	YELLVILLE	450
72701	FAYETTEVILLE	720
72702	FAYETTEVILLE	720
72703	FAYETTEVILLE	720

## ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72704	FAYETTEVILLE	720
72711	AVOCA	40
72712	BENTONVILLE	41
72714	BELLA VISTA	42
72715	BELLA VISTA	42
72716	BENTONVILLE	40
72717	CANEHILL	720
72718	CAVE SPRINGS	40
72719	CENTERTON	40
72721	COMBS	440
72722	DECATUR	40
72727	ELKINS	440
72728	ELM SPRINGS	721
72729	EVANSVILLE	720
72730	FARMINGTON	720
72732	GARFIELD	40
72733	GATEWAY	40
72734	GENTRY	40
72735	GOSHEN	721
72736	GRAVETTE	40
72737	GREENLAND	721
72738	HINDSVILLE	440
72739	HIWASSE	40
72740	HUNTSVILLE	440
72741	JOHNSON	721
72742	KINGSTON	440
72744	LINCOLN	720
72745	LOWELL	40
72747	MAYSVILLE	40
72749	MORROW	720
72751	PEA RIDGE	40
72752	PETTIGREW	440
72753	PRAIRIE GROVE	720
72756	ROGERS	40
72757	ROGERS	40
72758	ROGERS	40
72760	SAINT PAUL	440
72761	SILOAM SPRINGS	40
72762	SPRINGDALE	721
72764	SPRINGDALE	721
72765	SPRINGDALE	720
72766	SPRINGDALE	720
72768	SULPHUR SPRINGS	40
72769	SUMMERS	720
72770	TONTITOWN	721
72773	WESLEY	440
72774	WEST FORK	720
72776	WITTER	440
72801	RUSSELLVILLE	580
72802	RUSSELLVILLE	580
72811	RUSSELLVILLE	580
72812	RUSSELLVILLE	580
72820	ALIX	240
72821	ALTUS	240
72823	ATKINS	580
72824	BELLEVILLE	750
72826	BLUE MOUNTAIN	420
72827	BLUFFTON	750

## ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72828	BRIGGSVILLE	750
72829	CENTERVILLE	750
72830	CLARKSVILLE	360
72832	COAL HILL	360
72833	DANVILLE	750
72834	DARDANELLE	750
72835	DELAWARE	421
72837	DOVER	580
72838	GRAVELLY	750
72839	HAGARVILLE	360
72840	HARTMAN	360
72841	HARVEY	640
72842	HAVANA	750
72843	HECTOR	580
72845	KNOXVILLE	360
72846	LAMAR	360
72847	LONDON	580
72851	NEW BLAINE	421
72852	OARK	360
72853	OLA	530
72854	OZONE	360
72855	PARIS	421
72856	PELSOR	580
72857	PLAINVIEW	750
72858	POTTSVILLE	580
72860	ROVER	750
72863	SCRANTON	421
72865	SUBIACO	421
72901	FORT SMITH	660
72902	FORT SMITH	660
72903	FORT SMITH	660
72904	FORT SMITH	660
72905	FORT SMITH	660
72906	FORT SMITH	660
72908	FORT SMITH	660
72913	FORT SMITH	660
72914	FORT SMITH	660
72916	FORT SMITH	660
72917	FORT SMITH	660
72918	FORT SMITH	660
72919	FORT SMITH	660
72921	ALMA	170
72923	BARLING	661
72926	BOLES	640
72927	BOONEVILLE	420
72928	BRANCH	240
72930	CECIL	240
72932	CEDARVILLE	170
72933	CHARLESTON	240
72934	CHESTER	170
72935	DYER	170
72936	GREENWOOD	661
72937	HACKETT	661
72938	HARTFORD	661
72940	HUNTINGTON	661
72941	LAVACA	660
72943	MAGAZINE	421
72944	MANSFIELD	661

ARKANSAS (03)

Zip Code	USPS Zip Code Name	Territory
72945	MIDLAND	661
72946	MOUNTAINBURG	170
72947	MULBERRY	170
72948	NATURAL DAM	170
72949	OZARK	240
72950	PARKS	640
72951	RATCLIFF	420
72952	RUDY	170
72955	UNIONTOWN	170
72956	VAN BUREN	170
72957	VAN BUREN	170
72958	WALDRON	640
72959	WINSLOW	720

\*\* New zip codes will be added on a periodic (not more than quarterly) basis. In the event that the new zip code has not been added to our rating pages, then the rating will default to the prior zip code for the address.

HOMEOWNERS FORMS IN EFFECT

Form/ Endt.	Edition Date	Form Title
F-4278A	08-07	Blanket Jewelry Endorsement
F-4280	08-08	Loss Payable Provisions (Business in the Home)
F-4281	09-95	Additional Insured – Financial Interest
F-4284	09-95	Additional Insured – Grantor of Franchise
F-4285	09-95	Additional Insured – Lessor of Leased Equipment
F-4507	06-10	Homeowners Full House Coverage Endorsement
F-4532	08-08	Home Business Solutions Endorsement
F-4533	08-08	Business in the Home Endorsement
F-4607	08-08	Loss Assessment Coverage
F-4645	12-07	Domestic Dog and Domestic Cat Limited Coverage Endorsement
F-4666	06-10	Water Back Up and Sump Discharge or Overflow
F-4680	06-09	Adult Residential Community Endorsement
F-4705	06-10	Amendment of Policy Provisions – Arkansas
F-4706	06-10	Signature <sup>SM</sup> Homeowners Endorsement – Arkansas
F-4707	06-10	Signature <sup>SM</sup> Plus Homeowners Endorsement – Arkansas
F-4711	06-10	Functional Replacement Cost Loss Settlement – Arkansas
HO 00 02	10-00	Homeowners 2 Broad Form
HO 00 03	10-00	Homeowners 3 Special Form
HO 00 04	10-00	Homeowners 4 Contents Broad Form
HO 00 05	10-00	Homeowners 5 Comprehensive Form
HO 00 06	10-00	Homeowners 6 Unit-Owners Form
HO 01 03	02-07	Special Provisions – Arkansas
HO 03 12	10-00	Windstorm or Hail Percentage Deductible
HO 04 10	10-00	Additional Interest – Residence Premises
HO 04 12	10-00	Increased Limits on Business Property
HO 04 14	10-00	Special Computer Coverage
HO 04 16	10-00	Premises Alarm or Fire Protection System
HO 04 36	10-00	Loss Assessment Coverage for Earthquake
HO 04 40	10-00	Structures Rented to Others – Residence Premises
HO 04 41	10-00	Additional Insured – Residence Premises
HO 04 42	10-00	Permitted Incidental Occupancies – Residence Premises
HO 04 48	10-00	Other Structures – Increased Limits
HO 04 50	10-00	Increased Limits on Personal Property in Other Residences
HO 04 51	10-00	Building Additions & Alterations
HO 04 53	10-00	Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money Coverage – Increased Limits
HO 04 54	10-00	Earthquake
HO 04 55	03-03	Identity Fraud Expense Coverage
HO 04 58	10-00	Other Members of Named Insureds Household
HO 04 59	10-00	Assisted Living Care Coverage
HO 04 60	10-00	Scheduled Personal Property Endorsement (with agreed value loss settlement)
HO 04 61	10-00	Scheduled Personal Property Endorsement
HO 04 65	10-00	Coverage C Increased Special Limits of Liability
HO 04 66	10-00	Coverage C Increased Special Limits of Liability – To be used with form <b>HO 00 05</b> ; Form <b>HO 00 04</b> with endorsement <b>HO 05 24</b> and Form <b>HO 00 06</b> with endorsement <b>HO 17 31</b> Only
HO 04 77	10-00	Ordinances or Law Coverage
HO 04 90	10-00	Personal Property Replacement Cost
HO 04 92	10-00	Specific Structures Away From the Residence Premises
HO 04 96	10-00	No Coverage for Home Day Care Business
HO 04 98	10-00	Refrigerated Property Coverage
HO 04 99	10-00	Sinkhole Collapse
HO 05 24	10-00	Special Personal Property Coverage
HO 05 46	10-00	Landlord's Furnishings
HO 05 80	10-00	Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverages, All Forms except <b>HO 00 04</b> and <b>HO 00 06</b>

HOMEOWNERS FORMS IN EFFECT

Form/ Endt.	Edition Date	Form Title
HO 05 81	10-00	Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverages, Form <b>HO 00 04</b> Only
HO 05 82	10-00	Property Remediation for Escaped Liquid Fuel and Limited Lead and Escaped Liquid Fuel Liability Coverages, Form <b>HO 00 06</b> Only
HO 12 45	10-00	Change Endorsement
HO 16 09	01-09	Water Exclusion Endorsement – To be used with forms <b>HO 00 02, HO 00 04</b> or <b>HO 00 06</b>
HO 16 10	01-09	Water Exclusion Endorsement – To be used with forms <b>HO 00 03</b> or <b>HO 00 05</b>
HO 17 31	10-00	Unit-Owners Coverage C Special Coverage – Form <b>HO 00 06</b>
HO 17 32	10-00	Unit-Owners Coverage A Special Coverage – Form <b>HO 00 06</b>
HO 17 33	10-00	Unit Owners Rental to Others
HO 23 47	04-01	Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A – Dwelling)
HO 24 43	10-00	Permitted Incidental Occupancies – Other Residence
HO 24 70	10-00	Additional Residence Rented to Others – 1, 2, 3 or 4 Families
HO 24 71	10-00	Business Pursuits
HO 24 72	10-00	Incidental Farming Personal Liability
HO 24 75	10-00	Watercraft Liability
HO 24 82	10-00	Personal Injury
IJF 1012	04-83	Personal Jewelry in Vaults
IM 153	11-81	Sports Equipment Floater
IM 44 71	06-09	Gun Endorsement
IM 44 78	06-03	Miscellaneous Property Floater – Named Perils
IM 44 79	06-03	Miscellaneous Property Floater – Special Peril
IM 44 80	06-03	Boat Endorsement
IM 44 83	06-10	Snowmobile, Tractor and Motorized Land Conveyances –Physical Damage
IM 44 84	06-10	Snowmobile, Tractor and Motorized Land Conveyances – Liability
LS 23 89	08-08	Repair Cost Endorsement
LS HO 01	08-08	Home Under Construction Endorsement
IL N 016	09-03	Arkansas Fraud Statement



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SERFF Tracking Number: HRLV-126637173 State: Arkansas  
 Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150  
 Company Tracking Number: J CLEAVER 1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: HO  
 Project Name/Number: Arkansas Homeowners/

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> H-1 Homeowners Abstract	Filed	07/02/2010
<b>Comments:</b>		
<b>Attachment:</b> H-1 Homeowners Abstract1.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> cover letter	Filed	07/02/2010
<b>Comments:</b>		
<b>Attachment:</b> cover letter.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> actuarial memo	Filed	07/02/2010
<b>Comments:</b>		
<b>Attachment:</b> AR HO Filing Memo _HMIC_.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> map	Filed	07/02/2010
<b>Comments:</b>		
<b>Attachment:</b> Map.pdf		

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Harleysville Mutual Insurance Company  
NAIC # (including group #) 14168

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Not applicable. We are filing a homeowners new program.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

Not applicable. We are filing a homeowners new program.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

Not applicable.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

There is no specific coverage provided. The coverage A level is increased upon renewal based on the inflation factors provided by MSB for the location.

5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	2 %
b. Burglar Alarm	3 %
c. Smoke Alarm	3 %
d. Insured who has both homeowners and auto with your company	15 %
e. Deadbolt Locks	2 %
f. Window or Door Locks	0 %
g. Other (specify)	%
	%
	%

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.  
No.

7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
HO 00 02, HO 00 03, HO 00 04, HO 00 05, HO 00 06	\$0 as this is a new program.

8. Do you write homeowner risks which have aluminum, steel or vinyl siding?  Yes  No
9. Is there a surcharge on risks with wood heat? Yes
- If yes, state the surcharge \$75.00
- Does the surcharge apply to conventional fire places? No
- If yes, state the surcharge \_\_\_\_\_

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

\_\_\_\_\_  
Signature  
**Jennifer Cleaver**  
\_\_\_\_\_  
Printed Name  
**Product Consultant**  
\_\_\_\_\_  
Title  
**215-256-5740**  
\_\_\_\_\_  
Telephone Number  
**jcleaver@harleysvillegroup.com**  
\_\_\_\_\_  
Email address

**HARLEYSVILLE MUTUAL INSURANCE COMPANY**

355 Maple Avenue  
Harleysville PA 19438-2297  
[www.harleysvillegroup.com](http://www.harleysvillegroup.com)

May 20, 2010

Honorable Jay Bradford  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

NAIC # 14168  
**HOMEOWNERS**  
Rate/Rule Filing  
Company Tracking Number: 126637173

Dear Honorable Bradford:

With this filing we submit for your review and approval a new Homeowners Program in Harleysville Mutual Insurance Company which replaces that which is currently on file.

As a subscriber to Insurance Services Office, we wish to adopt the ISO 2000 Homeowners Program rules filed on our behalf by ISO, subject to variations.

To assist in your review, attached please find a filing memorandum as well as a complete Homeowners manual to be used in conjunction with this program:

Attached Contents 1 & 2, Original Printing, July 2010  
HO-1-1 thru HO-1-5, Original Printing, July 2010  
HO-2-1 thru HO-2-3, Original Printing, July 2010  
HO-3-1 thru HO-3-10, Original Printing, July 2010  
HO-4-1 thru HO-4-7, Original Printing, July 2010  
HO-5-1 thru HO-5-22, Original Printing, July 2010  
HO-6-1 thru HO-6-5, Original Printing, July 2010  
HO-7-1, Original Printing, July 2010  
(AR) HO-T-1 thru (AR) HO-T-13, Original Printing, July 2010  
F-1 & 2, Original Printing, July 2010  
Index-1 thru 4, Original Printing, July 2010

Rule of Application: These changes shall be applicable to new business policies effective on or after July 28, 2010.

Statistical Agent: Insurance Services Office, 545 Washington Blvd, Jersey City NJ 07310-1686.

Your favorable approval will be appreciated.

Very truly yours,



Carol Zwoyer, AAM, AIT  
Senior State Filing Analyst  
(215) 256-5735  
[czwoyer@harleysvillegroup.com](mailto:czwoyer@harleysvillegroup.com)

**HARLEYSVILLE MUTUAL INSURANCE COMPANY  
HOMEOWNERS  
ARKANSAS**

**Filing Memorandum**

Harleysville Insurance would like to introduce a new Homeowner program under Harleysville Mutual Insurance Company licensed for use in Arkansas. The proposed effective date for this program and its rates will be July 28, 2010.

We are adopting the ISO 2000 Homeowners Program rules and forms and using our own independent rates and factors.

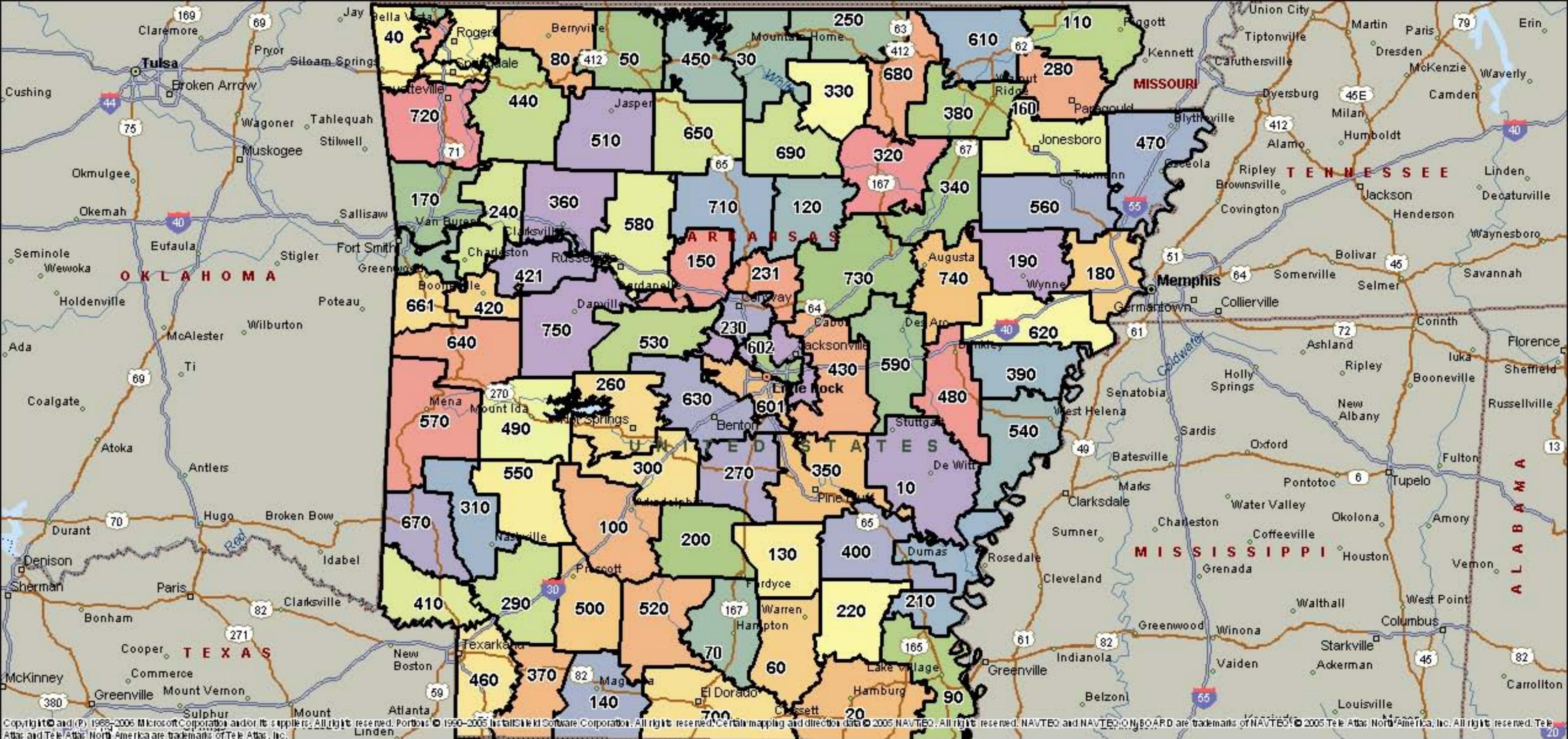
To development our rates, we used a market basket approach that looked at several competitors as well as ISO. The competitors chosen for the analysis included those identified by key agency partners we will be working with once this filing is approved and implemented in Arkansas.

We began our analysis by defining our rating territories. Our general approach to rating territories is that we use zip-code based definitions and cluster them to develop rates. We generally grouped all zips within a particular county together, with census data used to determine the best fit for zips that crossed county lines. We then reviewed the base rate relativity assigned to each zip code by our competitors and aggregated that over all zips to develop our proposed base rate relativities.

Next, we reviewed several other key rating components such as coverage A/C curves, Construction/Protection class factors, and deductibles and selected a competitive set of factors based on current ISO relativities as well as what our competitors use. Lastly, we reviewed all other rating factors, discounts, surcharges and miscellaneous rates to complete our initial proposed manual. Again, these rates and factors were selected based on an analysis of competitors manuals and ISO as well as current Harleysville rates and factors in place in other states and our own countrywide experience.

Finally, we obtained several competitors quotes and rated these same insureds vs. our proposed rates and rating factors. After several iterations, we settled on a proposed set of base rates and factors that will provide a competitive price that is adequate and will avoid adverse selection across rating characteristics. We also anticipate analyzing quote data in the initial months of the product "going live" in the state to gauge competitiveness and to ensure our underwriting profiles are balanced and sound.

Attached are the manual pages for the new program and they include all proposed rates and rating factors as well as a completed Homeowners rate survey.



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SERFF Tracking Number: HRLV-126637173 State: Arkansas  
 Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150  
 Company Tracking Number: J CLEAVER 1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: HO  
 Project Name/Number: Arkansas Homeowners/

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/20/2010	Rate and Rule	Manual pages	07/01/2010	AR HMIC HO-1XX PGS 2000.pdf (Superseded)
06/03/2010	Rate and Rule	Manual pages	07/01/2010	AR HMIC HO-3XX PGS 2000 _filed_.pdf (Superseded)
05/20/2010	Rate and Rule	Manual pages	06/03/2010	AR HMIC HO-3XX PGS 2000 _filed_.pdf (Superseded)
05/20/2010	Rate and Rule	Manual pages	06/03/2010	AR HMIC HO-4XX PGS 2000.pdf (Superseded)
05/20/2010	Rate and Rule	Manual pages	07/01/2010	AR HMIC HO-5XX PGS 2000 _filed_.pdf (Superseded)
05/20/2010	Supporting Document	HPCS-Homeowners Premium Comparison Survey	06/03/2010	HO Survey FORM HPCS.pdf (Superseded)

NAIC Number:	14168
Company Name:	Harleysville Mutual Insurance Company
Contact Person:	Carol Zwoyer
Telephone No.:	215-256-5735
Email Address:	czwoyer@harleysvillegroup.com
Effective Date:	July 28, 2010

**Homeowners Premium Comparison Survey Form  
FORM HPCS - last modified August, 2005**

**USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE  
BLANK**

Submit to: Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904  
Telephone: 501-371-2800  
Email as an attachment to insurance.pnc@arkansas.gov  
You may also attach to a SERFF filing or submit on a cdr disk

**Survey Form for HO3 (Homeowners) - Use \$500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)**

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$528.00	\$588.00	\$536.00	\$598.00	\$720.00	\$803.00	\$753.00	\$839.00	\$717.00	\$798.00	\$718.00	\$801.00	\$716.00	\$797.00	\$578.00	\$643.00	\$625.00	\$697.00
	\$120,000	\$684.00	\$761.00	\$694.00	\$773.00	\$932.00	\$1,038.00	\$974.00	\$1,085.00	\$927.00	\$1,033.00	\$931.00	\$1,037.00	\$926.00	\$1,031.00	\$747.00	\$833.00	\$809.00	\$902.00
	\$160,000	\$872.00	\$973.00	\$886.00	\$987.00	\$1,191.00	\$1,326.00	\$1,243.00	\$1,385.00	\$1,185.00	\$1,319.00	\$1,188.00	\$1,324.00	\$1,183.00	\$1,317.00	\$955.00	\$1,063.00	\$1,034.00	\$1,153.00
6	\$80,000	\$547.00	\$608.00	\$555.00	\$616.00	\$745.00	\$827.00	\$778.00	\$864.00	\$742.00	\$823.00	\$744.00	\$825.00	\$740.00	\$822.00	\$598.00	\$663.00	\$648.00	\$718.00
	\$120,000	\$707.00	\$785.00	\$717.00	\$796.00	\$963.00	\$1,070.00	\$1,007.00	\$1,117.00	\$959.00	\$1,064.00	\$962.00	\$1,068.00	\$957.00	\$1,063.00	\$773.00	\$857.00	\$838.00	\$929.00
	\$160,000	\$902.00	\$1,003.00	\$917.00	\$1,018.00	\$1,231.00	\$1,367.00	\$1,285.00	\$1,427.00	\$1,225.00	\$1,360.00	\$1,229.00	\$1,365.00	\$1,223.00	\$1,358.00	\$987.00	\$1,095.00	\$1,070.00	\$1,187.00
9	\$80,000	\$901.00	\$1,141.00	\$915.00	\$1,158.00	\$1,229.00	\$1,555.00	\$1,284.00	\$1,625.00	\$1,222.00	\$1,548.00	\$1,226.00	\$1,554.00	\$1,220.00	\$1,545.00	\$985.00	\$1,247.00	\$1,068.00	\$1,352.00
	\$120,000	\$1,165.00	\$1,476.00	\$1,183.00	\$1,499.00	\$1,588.00	\$2,011.00	\$1,660.00	\$2,102.00	\$1,580.00	\$2,002.00	\$1,586.00	\$2,009.00	\$1,578.00	\$1,998.00	\$1,274.00	\$1,614.00	\$1,380.00	\$1,748.00
	\$160,000	\$1,488.00	\$1,886.00	\$1,511.00	\$1,913.00	\$2,030.00	\$2,570.00	\$2,120.00	\$2,686.00	\$2,019.00	\$2,558.00	\$2,026.00	\$2,566.00	\$2,015.00	\$2,553.00	\$1,628.00	\$2,062.00	\$1,763.00	\$2,234.00

**Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)**

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00	\$102.00	\$114.00
	\$15,000	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00	\$116.00	\$130.00
	\$25,000	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00	\$143.00	\$159.00
6	\$5,000	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00	\$106.00	\$117.00
	\$15,000	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00	\$122.00	\$134.00
	\$25,000	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00	\$147.00	\$163.00
9	\$5,000	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00	\$151.00	\$186.00
	\$15,000	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00	\$173.00	\$212.00
	\$25,000	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00	\$211.00	\$252.00

**Survey Form for DP-2 (Dwelling/Fire) - Use \$500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)**

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

**SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:**

<b>HO3 and HO4 only</b>			
Fire Extinguisher	2 %	Deadbolt Lock	2 %
Burglar Alarm	3 %	Window Locks	7 %
Smoke Alarm	3 %	\$1,000 Deductible	7 %
		Other (specify)	
		Maximum Credit Allowed	

**EARTHQUAKE INSURANCE**

**IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this co**

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes	(yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5-25	%	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	\$ 2.92	\$ 0.7
	Lowest Risk	\$ 1.72	\$ 0.54

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of the Homeowners Policy in the Standard and Preferred Programs. Unless noted, the rules, rates, forms and endorsements apply to both programs

**FORMS AVAILABILITY**

Standard Program – **HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06**  
 Preferred Program – **HO 00 02, HO 00 03, HO 00 04, HO 00 05 and HO 00 06**

**101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS**

A. Limits

The limits of liability required under the Homeowners policy are as follows:

1. Section I – Property Damage

<b>Coverage A – Dwelling</b>	
<b>HO 00 02, HO 00 03, HO 00 05</b>	Refer to Rule 301..
<b>HO 00 04 or HO 00 06</b>	For <b>HO 00 06</b> refer to Rule 507.A.
<b>Coverage B – Other Structures</b>	
<b>HO 00 02, HO 00 03, HO 00 05</b>	10% of <b>A</b> (One and two family dwelling) 5% of <b>A</b> (Three and four family dwelling)
<b>Coverage C – Personal Property</b>	
<b>HO 00 02, HO 00 03, HO 00 05</b>	50% of <b>A</b> (One and two family dwelling) 30% of <b>A</b> (Three family dwelling) 25% of <b>A</b> (Four family dwelling)
<b>HO 00 04 or HO 00 06</b>	Refer to Rule 301. in the state classification pages.
<b>Coverage D – Loss Of Use</b>	
<b>HO 00 02, HO 00 03 or HO 00 05</b>	30% of <b>A</b>
<b>HO 00 04</b>	30% of <b>C</b>
<b>HO 00 06</b>	50% of <b>C</b>

**Table 101.A.1. Property Damage Limits**

2. Section II – Liability (All Forms)

<b>Coverage E – Personal Liability And Coverage F – Medical Payments*</b>
<b>Refer to Rule 301.</b>
* Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis.

**Table 101.A.2. Liability Limits**

B. ALL FORMS – The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

C. FORM **HO 00 02, HO 00 03 or HO 00 05**

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure.

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one and two family dwelling; 20% of the limit of a three family dwelling; and 15% of the limit of a four family dwelling.

D. FORM **HO 00 06** – The limit of liability for Coverage A of Section I may be increased.

**102. DESCRIPTION OF COVERAGES**

A. Section I Coverages – Property Damage:

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

Perils	HO 00 02	HO 00 03	HO 00 04 and HO 00 06	HO 00 05
Fire or Lightning	Yes	Yes Cov. C	Yes	No
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes	Yes Cov. C	Yes	No
Vandalism or malicious mischief	Yes	Yes Cov. C	Yes	No
Theft	Yes	Yes Cov. C	Yes	No
Volcanic eruption	Yes	Yes Cov. C	Yes	No
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current.	Yes	Yes Cov. C	Yes	No
Additional risks with certain exceptions (Special Coverage)	No	Yes Cov. A, B and D	No	Yes Cov. A, B, C and D

B. Section II Coverages – Liability – All Forms:

Coverage E – Personal Liability  
 Coverage F – Medical Payments to Others

1. Personal Liability – Covers payment on behalf of any insured for 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.

**103. MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

**104. ELIGIBILITY**

A. All Forms Except **HO 00 04** and **HO 00 06**

A Homeowners Policy may be issued:

1. To the owner-occupant(s) of a 1, 2, 3 or 4 family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs F. and H.). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2, 3 or 4 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement – **HO 04 41**; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.

**104. ELIGIBILITY** (continued)

5. When two or more apartment units in a 2, 3 or 4 family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy **HO 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

**B. Form HO 00 04**

A Homeowners Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph A. provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph F.). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

**C. Form HO 00 06**

A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs F. and H.). The unit may not be occupied by more than one additional family or two boarders or roomers.

**D. Seasonal Dwelling**

Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.

**E. Mobile Home, Trailer Home or House Trailer**

A Homeowners Policy:

1. Shall not be issued to cover such structures under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph B.

Modular homes must be underwritten very carefully. Those modular homes resembling mobile homes (doublewide units, etc.) or those having construction similar to that used in mobile homes, may not be written on a Homeowner Policy. Modular Homes that may be acceptable for Homeowners coverage must meet the same building requirements as a conventionally built home including full sized rafters, floors and ceiling joists. The unit must be mounted to a solid masonry foundation or a basement and have water and sewer or septic tank facilities.

**F. Permitted Business Occupancies**

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rules **509.** and **510.** for Section I Coverage and Rules **607.** and **608.** for Section II Coverage. When it is conducted from an Other Residence, only Section II Coverage is available. Refer to Rules **607.** and **608.**

**G. Farm Property**

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.

Optional Section II liability coverage is available for certain farm liability exposures as specified in the Rule 615.

**105. SECONDARY RESIDENCE PREMISES**

- A. Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.
- B. When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made.
  - 1. Reduce the BASE PREMIUM for the policy covering the secondary residence by \$7; and
  - 2. Add the charge for Other Insured Location Occupied by Insured, developed from Rule **602.**, to the policy covering the initial residence.

**106. PROTECTION CLASSIFICATIONS AND INFORMATION**

A. Classes

**Protection Class**

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

B. Protection Information

The protection class listings in the Public Protection Classifications manual apply to risks insured under Homeowners policies.

- 1. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (e.g., 8, 7, 6, etc.)
- 2. In a classified area where two or more classifications are shown (e.g., 6/9), the classification is determined as follows. Exception, see paragraph 3.

<b>DISTANCE TO FIRE STATION</b>	<b>CLASS</b>
a. 5 road miles or less with hydrant within 1000 feet	*
b. 5 road miles or less with hydrant beyond 1000 feet	9
c. Over 5 road miles	10

\* First protection class (e.g., 6/9 ..... Use Class 6)

3. Suburban Rating

Dwellings located in Fire Protection Class 9 meeting all the following criteria are eligible for the Suburban Rating Plan on Forms **HO 00 02**, **HO 00 03** and **HO 00 05** when they are a primary residence:

- a. located within 5 miles of a responding fire department;
- b. accessible year-round to fire fighting equipment by an all-weather road; and
- c. within 1000 feet of a year-round water source. The water source must be a minimum 1500 gallon water supply which can take the form of:
  - (1) a fire hydrant, or
  - (2) lakes, ponds, insured's own swimming pool or private water reservoir accessible to fire fighting apparatus, or
  - (3) the responding fire department must have "tanker" or "pumper" trucks having minimum 1500 gallon capacity which are dispatched to all fires.

## 106. PROTECTION CLASSIFICATIONS AND INFORMATION (continued)

Dwellings that meet the above criteria will be rated as follows:

- a. In areas where a single protection class of 9 is available, rate as protection class 88.
- b. In an area where two or more classifications are shown (e.g., 6/9), use the first protection class (e.g., 6/9...use class 6).

Agent must designate appropriate protection class on policy or application when rule applies.

4. All other properties are Class 10.
5. Subscription type fire departments are identified by a footnote in the Public Protection Classification Manual. Class 10 applies to properties which are not subscribers or which are located over 5 miles from the nearest recognized fire station of the listed fire department.

## 107. CONSTRUCTION DEFINITIONS

- A. Frame – exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.
- B. Masonry Veneer – exterior walls of combustible construction veneered with brick or stone.
- C. Masonry – exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete brick, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).
- D. Superior Construction
  1. Non-Combustible – exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
  2. Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
  3. Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials.
- E. Log Construction – exterior walls and gables are of solid wall construction typically using 5"-6" diameter logs with tongue and groove, peeled to a clean wood finish and spiked or doweled using weather sealant or caulking.
- F. Mixed (Masonry/Frame) – 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 thirty-three and one-third percent (33 1/3%) of the total exterior wall area; otherwise class and code as masonry.

## 108. SEASONAL DWELLING DEFINITION

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

## 109. SINGLE AND SEPARATE BUILDINGS DEFINITION

### A. Single Building

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

### B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:
  - a. A six-inch reinforced concrete or an eight-inch masonry party wall; or
  - b. A documented minimum two 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 described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

## ARKANSAS (03)

**300. SEQUENCE RATING RULE****Procedures for Determining Policy Premium****A. Base Premium**

Develop the Base Premium from the Base Premium Computation Pages of the manual.

Refer to the rating rules pertaining to the following options, when appropriate, and apply or add in the sequence indicated below.

1. Repair Cost Homeowners Endorsement **LS 23 89** (Market Value Rating Program)
2. Signature<sup>SM</sup> Endorsement **F-4706** or Signature<sup>SM</sup> Plus Endorsement **F-4707**.
3. Building Ordinance or Law Coverage Endorsement **HO 04 77**
4. Superior Construction
5. 3 or 4 Family Dwelling
6. Townhouse or Row house
7. Secondary or Seasonal Residence Section II Credit

**B. Adjusted Base Premium**

Apply any of the premium adjustment factors, when appropriate, in the sequence indicated below. **THE PREMIUM IS TO BE ROUNDED AFTER EACH STEP.**

1. Coverage C (increase or decrease)
2. Replacement Cost Dwelling
3. Personal Property Replacement Cost
4. Coverage A Dwelling – Form **HO 00 06**
5. Optional Deductibles
6. Protective Devices
7. Age of Home Factor
8. Newly Purchased Home Discount
9. Loss Free Discount
10. Loss Surcharge
11. Mature Homeowner
12. Hazardous Conditions Surcharge
13. Adult Residential Community Coverage
14. Property Remediation Credit
15. Financial factor

**C. Additional or Reduced Premium**

Develop any additional or reduced premium for rating rules indicated below. **EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED.**

1. Rating Factors not accommodated in B. above
2. Rating Rules displaying fixed dollar premium charges or credits
3. Rating Rules displaying rate per \$1,000 or \$100
4. Rating Factors for optional deductibles are applicable to:
  - **HO 04 40** – Structures Rented to Others
  - **HO 04 42** – Permitted Incidental Occupancies
  - **HO 04 48** – Other Structures

**D. Total Policy Premium**

Calculate the Total Policy Premium which is Base Premium or Adjusted Base Premium, plus Additional or Reduced Premium, if any.

1. Companion Credit  
Applies to the total policy premium less any endorsements which are not subject to further debits or credits.
2. Group Discount  
Applies to the total policy premium less any endorsements which are not subject to further debits or credits.
3. Life Insurance or Annuity Policy Credit  
Applies to total policy premium.
4. Condominium Association Credit  
Applies to total policy premium.

ARKANSAS (03)

301. BASE PREMIUM COMPUTATION

- A. The BASE PREMIUM is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).
  - 1. Key Premium Computation Steps
    - a. From the Territory Table, select the Premium for the applicable Territory.
    - b. From the Form Relativity Table, select the factor for the applicable form.
    - c. Multiply the Territory Premium from Step a. by the factor from Step b. Round to the nearest cent.
    - d. From the Protection/Construction Table, select the factor for the applicable Protection Class and Construction Type and multiply the factor by Premium from Step c. Round to the nearest whole dollar to develop the KEY PREMIUM..
  - 2. Using the Key Factor Chart on the same page, determine the KEY FACTOR for the desired limit of liability. If the limit of liability is shown in the chart, select the KEY FACTOR for that limit.
  - 3. Multiply the KEY PREMIUM by the KEY FACTOR and round to the nearest whole dollar to develop the BASE PREMIUM (\$.50 or more rounded to the next higher dollar).
- B. When any of the optional coverages noted below apply, develop the BASE PREMIUM in accordance with the instructions provided in the rules shown in this section of the manual.
  - 1. Repair Cost Homeowners (Endorsement **LS 23 89**)
  - 2. Ordinance or Law Coverage (Endorsement **HO 04 77**)
  - 3. Special Personal Property Coverage – **HO 00 06** (Endorsement **HO 17 31**)
- C. Interpolation Example
  - 1. When the desired limit of liability is **less** than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit.

**Example:**

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r}
 2.937 \\
 - 2.837 \\
 \hline
 .100 \div 5 = .02
 \end{array}$$

Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r}
 .02 \\
 \times 3 \\
 \hline
 .06 + 2.837 = 2.897
 \end{array}$$

The result, 2.897, is the Key Factor for this example.

- 2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this manual.

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION

A. KEY PREMIUM COMPUTATION

TERRITORY PREMIUM TABLE

Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6
10	1,049	183	170	480	1,133	183	170				
11	1,070	183	170	490	1,035	183	170				
20	1,196	183	170	500	1,116	183	170				
30	995	183	170	510	1,279	183	170				
40	973	183	170	520	1,129	183	170				
50	1,040	183	170	530	926	183	170				
60	1,164	183	170	540	1,148	183	170				
70	1,150	183	170	550	1,054	183	170				
80	995	183	170	560	1,303	183	170				
90	1,182	183	170	570	1,110	183	170				
100	1,059	183	170	580	904	183	170				
110	1,148	183	170	590	1,086	183	170				
120	912	183	170	600	1,008	183	170				
130	1,069	183	170	601	1,006	183	170				
140	1,104	183	170	602	1,013	183	170				
150	990	183	170	610	1,095	183	170				
160	1,304	183	170	620	1,218	183	170				
170	1,279	183	170	630	973	183	170				
180	1,141	183	170	631	974	183	170				
190	1,168	183	170	640	932	183	170				
200	1,129	183	170	650	960	183	170				
210	1,160	183	170	660	1,279	183	170				
220	1,109	183	170	670	1,075	183	170				
230	904	183	170	680	906	183	170				
231	923	183	170	690	939	183	170				
240	1,279	183	170	700	1,164	183	170				
250	980	183	170	710	905	183	170				
260	863	183	170	720	1,040	183	170				
261	876	183	170	730	1,051	183	170				
270	1,034	183	170	740	1,132	183	170				
280	1,071	183	170	750	952	183	170				
290	1,159	183	170								
300	990	183	170								
310	1,084	183	170								
320	919	183	170								
330	933	183	170								
340	1,228	183	170								
350	1,138	183	170								
351	1,138	183	170								
360	1,279	183	170								
370	1,112	183	170								
380	1,176	183	170								
390	1,196	183	170								
400	1,160	183	170								
410	1,076	183	170								
420	912	183	170								
430	949	183	170								
440	995	183	170								
450	1,051	183	170								
460	1,158	183	170								
470	1,252	183	170								

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION

A. KEY PREMIUM COMPUTATION

TERRITORY PREMIUM TABLE

Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6
10	944	165	153	480	1,020	165	153				
11	963	165	153	490	932	165	153				
20	1,076	165	153	500	1,004	165	153				
30	896	165	153	510	1,151	165	153				
40	876	165	153	520	1,016	165	153				
50	936	165	153	530	833	165	153				
60	1,048	165	153	540	1,033	165	153				
70	1,035	165	153	550	949	165	153				
80	896	165	153	560	1,173	165	153				
90	1,064	165	153	570	999	165	153				
100	953	165	153	580	814	165	153				
110	1,033	165	153	590	977	165	153				
120	821	165	153	600	907	165	153				
130	962	165	153	601	905	165	153				
140	994	165	153	602	912	165	153				
150	891	165	153	610	986	165	153				
160	1,174	165	153	620	1,096	165	153				
170	1,151	165	153	630	876	165	153				
180	1,027	165	153	631	877	165	153				
190	1,051	165	153	640	839	165	153				
200	1,016	165	153	650	864	165	153				
210	1,044	165	153	660	1,151	165	153				
220	998	165	153	670	968	165	153				
230	814	165	153	680	815	165	153				
231	831	165	153	690	845	165	153				
240	1,151	165	153	700	1,048	165	153				
250	882	165	153	710	815	165	153				
260	777	165	153	720	936	165	153				
261	788	165	153	730	946	165	153				
270	931	165	153	740	1,019	165	153				
280	964	165	153	750	857	165	153				
290	1,043	165	153								
300	891	165	153								
310	976	165	153								
320	827	165	153								
330	840	165	153								
340	1,105	165	153								
350	1,024	165	153								
351	1,024	165	153								
360	1,151	165	153								
370	1,001	165	153								
380	1,058	165	153								
390	1,076	165	153								
400	1,044	165	153								
410	968	165	153								
420	821	165	153								
430	854	165	153								
440	896	165	153								
450	946	165	153								
460	1,042	165	153								
470	1,127	165	153								

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

1. HO-00-02, HO-00-03, HO-00-05

ALL TERRITORIES

TERRITORY PREMIUM TABLE

See Base Rates beginning on Page HO-3-3		
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KEY FACTOR TABLE

Cov. A Amount (000s)		Cov. A Amount (000s)		Cov. A Amount (000s)	
	Factor		Factor		Factor
\$10	0.666	\$350	3.069	\$690	5.876
20	0.678	360	3.165	700	5.961
30	0.693	370	3.265	710	6.045
40	0.717	380	3.361	720	6.130
50	0.744	390	3.456	730	6.215
60	0.776	400	3.544	740	6.299
70	0.823	410	3.490	750	6.384
80	0.886	420	3.571	760	6.469
90	0.944	430	3.645	770	6.553
100	1.000	440	3.734	780	6.638
110	1.068	450	3.822	790	6.723
120	1.146	460	3.909	800	6.807
130	1.224	470	3.996	810	6.895
140	1.303	480	4.085	820	6.983
150	1.386	490	4.176	830	7.071
160	1.464	500	4.267	840	7.158
170	1.551	510	4.355	850	7.246
180	1.636	520	4.442	860	7.333
190	1.724	530	4.530	870	7.421
200	1.810	540	4.618	880	7.509
210	1.886	550	4.706	890	7.597
220	1.953	560	4.791	900	7.684
230	2.032	570	4.876	910	7.772
240	2.108	580	4.961	920	7.859
250	2.178	590	5.046	930	7.947
260	2.251	600	5.131	940	8.035
270	2.322	610	5.212	950	8.123
280	2.412	620	5.293	960	8.210
290	2.500	630	5.375	970	8.298
300	2.585	640	5.456	980	8.386
310	2.672	650	5.537	990	8.473
320	2.772	660	5.622	1,000	8.561
330	2.869	670	5.707	Each Add'l	
340	2.970	680	5.791	\$10K	0.096

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-02	0.95
HO-00-03	1.00
HO-00-05	1.20

PROTECTION/CONSTRUCTION TABLE

Prot. <u>Class</u>	Masonry <u>Factor</u>	Frame <u>Factor</u>	Log <u>Factor</u>
1	0.86	0.96	0.96
2	0.87	0.97	0.97
3	0.88	0.98	0.98
4	0.89	0.99	0.99
5	0.90	1.00	1.00
6	0.91	1.01	1.01
7	0.92	1.10	1.10
8	1.15	1.40	1.40
88	1.36	1.70	1.70
9	1.50	1.90	1.90
10	1.90	2.10	2.10

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

2. HO-00-04

ALL TERRITORIES

TERRITORY PREMIUM TABLE

	See Base Rates beginning on Page HO-3-3	
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KEY FACTOR TABLE

Cov. C Amount (000s)		Cov. C Amount (000s)		Cov. C Amount (000s)	
	Factor		Factor		Factor
\$10	0.803	\$44	1.547	\$78	2.395
11	0.831	45	1.570	79	2.418
12	0.859	46	1.593	80	2.442
13	0.878	47	1.615	81	2.466
14	0.897	48	1.639	82	2.490
15	0.916	49	1.662	83	2.515
16	0.934	50	1.685	84	2.539
17	0.951	51	1.712	85	2.563
18	0.967	52	1.738	86	2.588
19	0.984	53	1.766	87	2.614
20	1.000	54	1.793	88	2.640
21	1.024	55	1.820	89	2.665
22	1.047	56	1.846	90	2.691
23	1.070	57	1.873	91	2.717
24	1.092	58	1.900	92	2.743
25	1.116	59	1.927	93	2.769
26	1.138	60	1.953	94	2.795
27	1.160	61	1.978	95	2.820
28	1.182	62	2.003	96	2.846
29	1.205	63	2.028	97	2.873
30	1.227	64	2.053	98	2.898
31	1.249	65	2.077	99	2.925
32	1.272	66	2.102	100	2.951
33	1.295	67	2.127	101	2.976
34	1.318	68	2.152	102	3.002
35	1.341	69	2.177	103	3.029
36	1.363	70	2.202	104	3.055
37	1.386	71	2.226	105	3.081
38	1.409	72	2.250	106	3.107
39	1.431	73	2.275	107	3.132
40	1.454	74	2.299	108	3.158
41	1.477	75	2.323	109	3.185
42	1.500	76	2.346	Each Add'l	
43	1.523	77	2.370	\$1K	0.026

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-04	1.00
HO-00-04 w/ HO-05-24	1.40

PROTECTION/CONSTRUCTION TABLE

<u>Prot. Class</u>	<u>Masonry Factor</u>	<u>Frame Factor</u>
1	0.86	0.96
2	0.87	0.97
3	0.88	0.98
4	0.89	0.99
5	0.90	1.00
6	0.91	1.01
7	0.92	1.30
8	0.93	1.30
88	1.15	1.48
9	1.30	1.60
10	1.50	1.95

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

3. HO-00-06, HO-00-06 with HO-17-31

ALL TERRITORIES

TERRITORY PREMIUM TABLE

	See Base Rates beginning on Page HO-3-3	
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KEY FACTOR TABLE

Cov. C Amount (000s)		Cov. C Amount (000s)		Cov. C Amount (000s)	
	Factor		Factor		Factor
\$10	0.803	\$44	1.547	\$78	2.395
11	0.831	45	1.570	79	2.418
12	0.859	46	1.593	80	2.442
13	0.878	47	1.615	81	2.466
14	0.897	48	1.639	82	2.490
15	0.916	49	1.662	83	2.515
16	0.934	50	1.685	84	2.539
17	0.951	51	1.712	85	2.563
18	0.967	52	1.738	86	2.588
19	0.984	53	1.766	87	2.614
20	1.000	54	1.793	88	2.640
21	1.024	55	1.820	89	2.665
22	1.047	56	1.846	90	2.691
23	1.070	57	1.873	91	2.717
24	1.092	58	1.900	92	2.743
25	1.116	59	1.927	93	2.769
26	1.138	60	1.953	94	2.795
27	1.160	61	1.978	95	2.820
28	1.182	62	2.003	96	2.846
29	1.205	63	2.028	97	2.873
30	1.227	64	2.053	98	2.898
31	1.249	65	2.077	99	2.925
32	1.272	66	2.102	100	2.951
33	1.295	67	2.127	101	2.976
34	1.318	68	2.152	102	3.002
35	1.341	69	2.177	103	3.029
36	1.363	70	2.202	104	3.055
37	1.386	71	2.226	105	3.081
38	1.409	72	2.250	106	3.107
39	1.431	73	2.275	107	3.132
40	1.454	74	2.299	108	3.158
41	1.477	75	2.323	109	3.185
42	1.500	76	2.346	Each Add'l	
43	1.523	77	2.370	\$1K	0.026

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-06	1.00
HO-00-06 w/ HO-17-31	1.40

PROTECTION/CONSTRUCTION TABLE

<u>Prot. Class</u>	<u>Masonry Factor</u>	<u>Frame Factor</u>
1	0.86	0.96
2	0.87	0.97
3	0.88	0.98
4	0.89	0.99
5	0.90	1.00
6	0.91	1.01
7	0.92	1.30
8	0.93	1.30
88	1.15	1.48
9	1.30	1.60
10	1.50	1.95

ARKANSAS (03)

**302. LOSS SETTLEMENT OPTIONS**

Functional Replacement Cost Loss Settlement – **HO 00 02, HO 00 03** and **HO 00 05** only

- A. The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.
- B. The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.
- C. Develop the BASE PREMIUM in accordance with Rule **301** for the amount of insurance selected for this option.

Use Endorsement **F-4711** Functional Replacement Cost Loss Settlement. Not valid in combination with the Excess Dwelling Coverage Endorsement **HO 23 47**, Signature Homeowners Endorsement **F-4706**, Signature Plus Endorsement **F-4707**, Ordinance or Law Coverage **HO 04 77** or Repair Cost Endorsement **LS 23 89**.

**303. ORDINANCE OR LAW COVERAGE**

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form **HO 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount of Coverage

1. The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted below, 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 the ordinance or law.

2. Premium

a. Forms **HO 00 02, HO 00 03** and **HO 00 05**

To develop the BASE PREMIUM multiply the premium computed in accordance with Rule 301. by the appropriate factor below.

Percentage of Coverage A		
Increase in Amount	Total Amount	Factors
15%	25%	1.03
40%	50%	1.07
65%	75%	1.11
90%	100%	1.15
For each add'l 25% increment, add		0.04

**Table 303.B.2.a. Factors**

b. Forms **HO 00 04** and **HO 00 06**

See Rule **513**. for rating instructions.

Use Endorsement **HO 04 77** – Ordinance or Law Coverage – Increased Amount of Coverage

## ARKANSAS (03)

**304. SPECIAL PERSONAL PROPERTY COVERAGE – FORMS HO 00 04 and HO 00 06**

## A. Coverage Description

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.
2. This option may only be used when:
  - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
  - b. For Form **HO 00 06**, the condominium or cooperative unit is owner-occupied and not rented to others.

## B. Premium Computation

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule **301**. by the factor shown on the rate pages.

## C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**305. MARKET VALUE PROGRAM – Standard Program Only**

- A. The Market Value Program is a modification of the Homeowners Policy by use of the Repair Cost Endorsement **LS 23 89** with the Homeowners Form **HO 00 02** Broad Form Policy.
- B. Coverage and limits on certain types of property will remain identical to that of the Homeowners Form **HO 00 02**.
- C. Replacement Cost Coverage for coverages A and B under Form **HO 00 02** is modified by the Repair Cost Endorsement **LS 23 89**.
- D. Losses to the following, whether or not attached to the structure, will be adjusted on an actual cash value basis: outdoor radio and television antenna and aerials, carpeting, awnings and domestic appliances.
- E. The insured may elect one of two settlement options under the Repair Cost Endorsement **LS 23 89**.
  1. Repair cost settlement. The damaged property will be repaired to similar condition and appearance prior to loss, without deduction for depreciation based on the use of conventional construction materials and methods. Materials used are to be commonly and currently available without extraordinary expense
  2. The insured may elect a cash settlement based on the actual cash value of the damaged or destroyed property or the limit of liability that applies to the damaged or destroyed building, whichever is less. Actual cash value is based on current replacement cost with deduction for depreciation.
  3. The terms and conditions of the policy and forms to which the endorsement is attached, unless otherwise specified, remain in full force and effect.
- F. Minimum Coverage of \$20,000 and 100% of Market Value.
- G. Premiums may be billed through agent's account, direct to policyholder, or on mortgagee's escrow account.
- H. The replacement cost amount used for rating (not Coverage A) will be annually adjusted for inflation. See "Market Value Policy Rating".
- I. Not valid in combination with the Excess Dwelling Coverage Endorsement **HO 23 47**, Signature Homeowners Endorsement **F-4706** Signature Plus Endorsement **F-4707** or Endorsement **F-4711** Functional Replacement Cost Loss Settlement.

## ARKANSAS (03)

## 305. MARKET VALUE PROGRAM (continued)

**Market Value Policy Rating:**

1. Determine the amount of insurance desired -- \$20,000 minimum.
2. Determine 100% Replacement Cost.
3. Develop Standard Program premium based on 100% of Replacement Cost for **HO 00 02**.
4. Determine the percentage relationship between the amount of insurance requested and 100% of Replacement Cost Value; round to the nearest 10%.
5. Find the percentage relationship from the Factor Chart below.
6. Multiply the factor by the premium developed in Item 3 above to obtain the Market Value Premium.

**FACTOR CHART**

Percentage Relationship	Factor
90	1.11
80	1.08
70	1.05
60	1.02
50	.99
40	.95
30	.89
20	.82
10	.72

## Example:

(Premiums used are for demonstration purposes only, not actual premiums.)

1. Coverage A amount insurance = \$20,000
2. Full Replacement Cost of dwelling = \$110,000
3. Premium developed for **HO 00 02** (\$110,000 Cov. A) = \$244
4. Relationship between Coverage A amount and Full Replacement Cost = \$20,000 divided by \$110,000 = 18.2%, rounded to 20%
5. 20% is equivalent to the .82 factor from the Factor Chart
6.  $(.82) \times \$244 = \$200.08$ , rounded to \$200.

## ARKANSAS (03)

**300. SEQUENCE RATING RULE****Procedures for Determining Policy Premium****A. Base Premium**

Develop the Base Premium from the Base Premium Computation Pages of the manual.

Refer to the rating rules pertaining to the following options, when appropriate, and apply or add in the sequence indicated below.

1. Repair Cost Homeowners Endorsement **LS 23 89** (Market Value Rating Program)
2. Signature<sup>SM</sup> Endorsement **F-4706** or Signature<sup>SM</sup> Plus Endorsement **F-4707**.
3. Building Ordinance or Law Coverage Endorsement **HO 04 77**
4. Superior Construction
5. 3 or 4 Family Dwelling
6. Townhouse or Row house
7. Secondary or Seasonal Residence Section II Credit

**B. Adjusted Base Premium**

Apply any of the premium adjustment factors, when appropriate, in the sequence indicated below. **THE PREMIUM IS TO BE ROUNDED AFTER EACH STEP.**

1. Coverage C (increase or decrease)
2. Replacement Cost Dwelling
3. Personal Property Replacement Cost
4. Coverage A Dwelling – Form **HO 00 06**
5. Optional Deductibles
6. Protective Devices
7. Age of Home Factor
8. Newly Purchased Home Discount
9. Loss Free Discount
10. Loss Surcharge
11. Mature Homeowner
12. Hazardous Conditions Surcharge
13. Adult Residential Community Coverage
14. Property Remediation Credit
15. Financial factor

**C. Additional or Reduced Premium**

Develop any additional or reduced premium for rating rules indicated below. **EACH ADDITIONAL OR REDUCED PREMIUM IS TO BE ROUNDED.**

1. Rating Factors not accommodated in B. above
2. Rating Rules displaying fixed dollar premium charges or credits
3. Rating Rules displaying rate per \$1,000 or \$100
4. Rating Factors for optional deductibles are applicable to:
  - **HO 04 40** – Structures Rented to Others
  - **HO 04 42** – Permitted Incidental Occupancies
  - **HO 04 48** – Other Structures

**D. Total Policy Premium**

Calculate the Total Policy Premium which is Base Premium or Adjusted Base Premium, plus Additional or Reduced Premium, if any.

1. Companion Credit  
Applies to the total policy premium less any endorsements which are not subject to further debits or credits.
2. Group Discount  
Applies to the total policy premium less any endorsements which are not subject to further debits or credits.
3. Life Insurance or Annuity Policy Credit  
Applies to total policy premium.
4. Condominium Association Credit  
Applies to total policy premium.

ARKANSAS (03)

301. BASE PREMIUM COMPUTATION

- A. The BASE PREMIUM is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).
  - 1. Key Premium Computation Steps
    - a. From the Territory Table, select the Premium for the applicable Territory.
    - b. From the Form Relativity Table, select the factor for the applicable form.
    - c. Multiply the Territory Premium from Step a. by the factor from Step b. Round to the nearest cent.
    - d. From the Protection/Construction Table, select the factor for the applicable Protection Class and Construction Type and multiply the factor by Premium from Step c. Round to the nearest whole dollar to develop the KEY PREMIUM..
  - 2. Using the Key Factor Chart on the same page, determine the KEY FACTOR for the desired limit of liability. If the limit of liability is shown in the chart, select the KEY FACTOR for that limit.
  - 3. Multiply the KEY PREMIUM by the KEY FACTOR and round to the nearest whole dollar to develop the BASE PREMIUM (\$.50 or more rounded to the next higher dollar).
- B. When any of the optional coverages noted below apply, develop the BASE PREMIUM in accordance with the instructions provided in the rules shown in this section of the manual.
  - 1. Repair Cost Homeowners (Endorsement **LS 23 89**)
  - 2. Ordinance or Law Coverage (Endorsement **HO 04 77**)
  - 3. Special Personal Property Coverage – **HO 00 06** (Endorsement **HO 17 31**)
- C. Interpolation Example
  - 1. When the desired limit of liability is **less** than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit.

**Example:**

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .100 \div 5 = .02 \end{array}$$

Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$

The result, 2.897, is the Key Factor for this example.

- 2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this manual.

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION

A. KEY PREMIUM COMPUTATION

TERRITORY PREMIUM TABLE

Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6
10	1,049	183	170	480	1,133	183	170				
11	1,070	183	170	490	1,035	183	170				
20	1,196	183	170	500	1,116	183	170				
30	868	183	170	510	988	183	170				
40	832	183	170	520	1,129	183	170				
50	875	183	170	530	926	183	170				
60	1,164	183	170	540	1,148	183	170				
70	1,150	183	170	550	1,054	183	170				
80	849	183	170	560	1,303	183	170				
90	1,182	183	170	570	1,110	183	170				
100	1,059	183	170	580	904	183	170				
110	1,148	183	170	590	1,086	183	170				
120	912	183	170	600	1,008	183	170				
130	1,069	183	170	601	1,013	183	170				
140	1,104	183	170	602	1,013	183	170				
150	990	183	170	610	1,095	183	170				
160	1,166	183	170	620	1,218	183	170				
170	934	183	170	630	973	183	170				
180	1,141	183	170	631	974	183	170				
190	1,168	183	170	640	932	183	170				
200	1,129	183	170	650	960	183	170				
210	1,160	183	170	660	935	183	170				
220	1,109	183	170	670	1,075	183	170				
230	904	183	170	680	906	183	170				
231	923	183	170	690	939	183	170				
240	981	183	170	700	1,164	183	170				
250	980	183	170	710	905	183	170				
260	863	183	170	720	855	183	170				
261	876	183	170	730	1,051	183	170				
270	1,034	183	170	740	1,132	183	170				
280	1,071	183	170	750	952	183	170				
290	1,159	183	170								
300	990	183	170								
310	1,084	183	170								
320	919	183	170								
330	933	183	170								
340	1,228	183	170								
350	1,138	183	170								
351	1,138	183	170								
360	994	183	170								
370	1,112	183	170								
380	1,176	183	170								
390	1,196	183	170								
400	1,160	183	170								
410	1,076	183	170								
420	912	183	170								
430	949	183	170								
440	839	183	170								
450	901	183	170								
460	1,158	183	170								
470	1,252	183	170								

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION

A. KEY PREMIUM COMPUTATION

TERRITORY PREMIUM TABLE

Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6	Terr	Forms 2,3&5	Form 4	Form 6
10	944	165	153	480	1,020	165	153				
11	963	165	153	490	932	165	153				
20	1,076	165	153	500	1,004	165	153				
30	781	165	153	510	889	165	153				
40	749	165	153	520	1,016	165	153				
50	788	165	153	530	833	165	153				
60	1,048	165	153	540	1,033	165	153				
70	1,035	165	153	550	949	165	153				
80	764	165	153	560	1,173	165	153				
90	1,064	165	153	570	999	165	153				
100	953	165	153	580	814	165	153				
110	1,033	165	153	590	977	165	153				
120	821	165	153	600	907	165	153				
130	962	165	153	601	912	165	153				
140	994	165	153	602	912	165	153				
150	891	165	153	610	986	165	153				
160	1,049	165	153	620	1,096	165	153				
170	841	165	153	630	876	165	153				
180	1,027	165	153	631	877	165	153				
190	1,051	165	153	640	839	165	153				
200	1,016	165	153	650	864	165	153				
210	1,044	165	153	660	842	165	153				
220	998	165	153	670	968	165	153				
230	814	165	153	680	815	165	153				
231	831	165	153	690	845	165	153				
240	883	165	153	700	1,048	165	153				
250	882	165	153	710	815	165	153				
260	777	165	153	720	770	165	153				
261	788	165	153	730	946	165	153				
270	931	165	153	740	1,019	165	153				
280	964	165	153	750	857	165	153				
290	1,043	165	153								
300	891	165	153								
310	976	165	153								
320	827	165	153								
330	840	165	153								
340	1,105	165	153								
350	1,024	165	153								
351	1,024	165	153								
360	895	165	153								
370	1,001	165	153								
380	1,058	165	153								
390	1,076	165	153								
400	1,044	165	153								
410	968	165	153								
420	821	165	153								
430	854	165	153								
440	755	165	153								
450	811	165	153								
460	1,042	165	153								
470	1,127	165	153								

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

1. HO-00-02, HO-00-03, HO-00-05

ALL TERRITORIES

TERRITORY PREMIUM TABLE

See Base Rates beginning on Page HO-3-3		
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KEY FACTOR TABLE

Cov. A Amount (000s)		Cov. A Amount (000s)		Cov. A Amount (000s)	
	Factor		Factor		Factor
\$10	0.666	\$350	3.069	\$690	5.876
20	0.678	360	3.165	700	5.961
30	0.693	370	3.265	710	6.045
40	0.717	380	3.361	720	6.130
50	0.744	390	3.456	730	6.215
60	0.776	400	3.544	740	6.299
70	0.823	410	3.490	750	6.384
80	0.886	420	3.571	760	6.469
90	0.944	430	3.645	770	6.553
100	1.000	440	3.734	780	6.638
110	1.068	450	3.822	790	6.723
120	1.146	460	3.909	800	6.807
130	1.224	470	3.996	810	6.895
140	1.303	480	4.085	820	6.983
150	1.386	490	4.176	830	7.071
160	1.464	500	4.267	840	7.158
170	1.551	510	4.355	850	7.246
180	1.636	520	4.442	860	7.333
190	1.724	530	4.530	870	7.421
200	1.810	540	4.618	880	7.509
210	1.886	550	4.706	890	7.597
220	1.953	560	4.791	900	7.684
230	2.032	570	4.876	910	7.772
240	2.108	580	4.961	920	7.859
250	2.178	590	5.046	930	7.947
260	2.251	600	5.131	940	8.035
270	2.322	610	5.212	950	8.123
280	2.412	620	5.293	960	8.210
290	2.500	630	5.375	970	8.298
300	2.585	640	5.456	980	8.386
310	2.672	650	5.537	990	8.473
320	2.772	660	5.622	1,000	8.561
330	2.869	670	5.707	Each Add'l	
340	2.970	680	5.791	\$10K	0.096

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-02	0.95
HO-00-03	1.00
HO-00-05	1.20

PROTECTION/CONSTRUCTION TABLE

Prot. <u>Class</u>	Masonry <u>Factor</u>	Frame <u>Factor</u>	Log <u>Factor</u>
1	0.86	0.96	0.96
2	0.87	0.97	0.97
3	0.88	0.98	0.98
4	0.89	0.99	0.99
5	0.90	1.00	1.00
6	0.91	1.01	1.01
7	0.92	1.10	1.10
8	1.15	1.40	1.40
88	1.36	1.70	1.70
9	1.50	1.90	1.90
10	1.90	2.10	2.10

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

2. HO-00-04

ALL TERRITORIES

TERRITORY PREMIUM TABLE

	See Base Rates beginning on Page HO-3-3	
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KEY FACTOR TABLE

Cov. C Amount (000s)		Cov. C Amount (000s)		Cov. C Amount (000s)	
	Factor		Factor		Factor
\$10	0.803	\$44	1.547	\$78	2.395
11	0.831	45	1.570	79	2.418
12	0.859	46	1.593	80	2.442
13	0.878	47	1.615	81	2.466
14	0.897	48	1.639	82	2.490
15	0.916	49	1.662	83	2.515
16	0.934	50	1.685	84	2.539
17	0.951	51	1.712	85	2.563
18	0.967	52	1.738	86	2.588
19	0.984	53	1.766	87	2.614
20	1.000	54	1.793	88	2.640
21	1.024	55	1.820	89	2.665
22	1.047	56	1.846	90	2.691
23	1.070	57	1.873	91	2.717
24	1.092	58	1.900	92	2.743
25	1.116	59	1.927	93	2.769
26	1.138	60	1.953	94	2.795
27	1.160	61	1.978	95	2.820
28	1.182	62	2.003	96	2.846
29	1.205	63	2.028	97	2.873
30	1.227	64	2.053	98	2.898
31	1.249	65	2.077	99	2.925
32	1.272	66	2.102	100	2.951
33	1.295	67	2.127	101	2.976
34	1.318	68	2.152	102	3.002
35	1.341	69	2.177	103	3.029
36	1.363	70	2.202	104	3.055
37	1.386	71	2.226	105	3.081
38	1.409	72	2.250	106	3.107
39	1.431	73	2.275	107	3.132
40	1.454	74	2.299	108	3.158
41	1.477	75	2.323	109	3.185
42	1.500	76	2.346	Each Add'l	
43	1.523	77	2.370	\$1K	0.026

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-04	1.00
HO-00-04 w/ HO-05-24	1.40

PROTECTION/CONSTRUCTION TABLE

<u>Prot.</u>	<u>Masonry</u>	<u>Frame</u>
<u>Class</u>	<u>Factor</u>	<u>Factor</u>
1	0.86	0.96
2	0.87	0.97
3	0.88	0.98
4	0.89	0.99
5	0.90	1.00
6	0.91	1.01
7	0.92	1.30
8	0.93	1.30
88	1.15	1.48
9	1.30	1.60
10	1.50	1.95

KEY PREMIUM / KEY FACTOR DISPLAY

301. BASE PREMIUM COMPUTATION  
 A. KEY PREMIUM COMPUTATION

3. HO-00-06, HO-00-06 with HO-17-31

ALL TERRITORIES

TERRITORY PREMIUM TABLE

	See Base Rates beginning on Page HO-3-3	
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KEY FACTOR TABLE

Cov. C Amount (000s)		Cov. C Amount (000s)		Cov. C Amount (000s)	
	Factor		Factor		Factor
\$10	0.803	\$44	1.547	\$78	2.395
11	0.831	45	1.570	79	2.418
12	0.859	46	1.593	80	2.442
13	0.878	47	1.615	81	2.466
14	0.897	48	1.639	82	2.490
15	0.916	49	1.662	83	2.515
16	0.934	50	1.685	84	2.539
17	0.951	51	1.712	85	2.563
18	0.967	52	1.738	86	2.588
19	0.984	53	1.766	87	2.614
20	1.000	54	1.793	88	2.640
21	1.024	55	1.820	89	2.665
22	1.047	56	1.846	90	2.691
23	1.070	57	1.873	91	2.717
24	1.092	58	1.900	92	2.743
25	1.116	59	1.927	93	2.769
26	1.138	60	1.953	94	2.795
27	1.160	61	1.978	95	2.820
28	1.182	62	2.003	96	2.846
29	1.205	63	2.028	97	2.873
30	1.227	64	2.053	98	2.898
31	1.249	65	2.077	99	2.925
32	1.272	66	2.102	100	2.951
33	1.295	67	2.127	101	2.976
34	1.318	68	2.152	102	3.002
35	1.341	69	2.177	103	3.029
36	1.363	70	2.202	104	3.055
37	1.386	71	2.226	105	3.081
38	1.409	72	2.250	106	3.107
39	1.431	73	2.275	107	3.132
40	1.454	74	2.299	108	3.158
41	1.477	75	2.323	109	3.185
42	1.500	76	2.346	Each Add'l	
43	1.523	77	2.370	\$1K	0.026

FORM RELATIVITY TABLE

<u>Form</u>	<u>Factor</u>
HO-00-06	1.00
HO-00-06 w/ HO-17-31	1.40

PROTECTION/CONSTRUCTION TABLE

<u>Prot. Class</u>	<u>Masonry Factor</u>	<u>Frame Factor</u>
1	0.86	0.96
2	0.87	0.97
3	0.88	0.98
4	0.89	0.99
5	0.90	1.00
6	0.91	1.01
7	0.92	1.30
8	0.93	1.30
88	1.15	1.48
9	1.30	1.60
10	1.50	1.95

ARKANSAS (03)

**302. LOSS SETTLEMENT OPTIONS**

Functional Replacement Cost Loss Settlement – **HO 00 02, HO 00 03** and **HO 00 05** only

- A. The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.
- B. The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.
- C. Develop the BASE PREMIUM in accordance with Rule **301** for the amount of insurance selected for this option.

Use Endorsement **F-4711** Functional Replacement Cost Loss Settlement. Not valid in combination with the Excess Dwelling Coverage Endorsement **HO 23 47**, Signature Homeowners Endorsement **F-4706**, Signature Plus Endorsement **F-4707**, Ordinance or Law Coverage **HO 04 77** or Repair Cost Endorsement **LS 23 89**.

**303. ORDINANCE OR LAW COVERAGE**

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form **HO 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount of Coverage

1. The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted below, 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 the ordinance or law.

2. Premium

a. Forms **HO 00 02, HO 00 03** and **HO 00 05**

To develop the BASE PREMIUM multiply the premium computed in accordance with Rule 301. by the appropriate factor below.

Percentage of Coverage A		
Increase in Amount	Total Amount	Factors
15%	25%	1.03
40%	50%	1.07
65%	75%	1.11
90%	100%	1.15
For each add'l 25% increment, add		0.04

**Table 303.B.2.a. Factors**

b. Forms **HO 00 04** and **HO 00 06**

See Rule **513**. for rating instructions.

Use Endorsement **HO 04 77** – Ordinance or Law Coverage – Increased Amount of Coverage

## ARKANSAS (03)

**304. SPECIAL PERSONAL PROPERTY COVERAGE – FORMS HO 00 04 and HO 00 06**

## A. Coverage Description

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.
2. This option may only be used when:
  - a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
  - b. For Form **HO 00 06**, the condominium or cooperative unit is owner-occupied and not rented to others.

## B. Premium Computation

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule **301**. by the factor shown on the rate pages.

## C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**305. MARKET VALUE PROGRAM – Standard Program Only**

- A. The Market Value Program is a modification of the Homeowners Policy by use of the Repair Cost Endorsement **LS 23 89** with the Homeowners Form **HO 00 02** Broad Form Policy.
- B. Coverage and limits on certain types of property will remain identical to that of the Homeowners Form **HO 00 02**.
- C. Replacement Cost Coverage for coverages A and B under Form **HO 00 02** is modified by the Repair Cost Endorsement **LS 23 89**.
- D. Losses to the following, whether or not attached to the structure, will be adjusted on an actual cash value basis: outdoor radio and television antenna and aerials, carpeting, awnings and domestic appliances.
- E. The insured may elect one of two settlement options under the Repair Cost Endorsement **LS 23 89**.
  1. Repair cost settlement. The damaged property will be repaired to similar condition and appearance prior to loss, without deduction for depreciation based on the use of conventional construction materials and methods. Materials used are to be commonly and currently available without extraordinary expense
  2. The insured may elect a cash settlement based on the actual cash value of the damaged or destroyed property or the limit of liability that applies to the damaged or destroyed building, whichever is less. Actual cash value is based on current replacement cost with deduction for depreciation.
  3. The terms and conditions of the policy and forms to which the endorsement is attached, unless otherwise specified, remain in full force and effect.
- F. Minimum Coverage of \$20,000 and 100% of Market Value.
- G. Premiums may be billed through agent's account, direct to policyholder, or on mortgagee's escrow account.
- H. The replacement cost amount used for rating (not Coverage A) will be annually adjusted for inflation. See "Market Value Policy Rating".
- I. Not valid in combination with the Excess Dwelling Coverage Endorsement **HO 23 47**, Signature Homeowners Endorsement **F-4706** Signature Plus Endorsement **F-4707** or Endorsement **F-4711** Functional Replacement Cost Loss Settlement.

## ARKANSAS (03)

## 305. MARKET VALUE PROGRAM (continued)

**Market Value Policy Rating:**

1. Determine the amount of insurance desired -- \$20,000 minimum.
2. Determine 100% Replacement Cost.
3. Develop Standard Program premium based on 100% of Replacement Cost for **HO 00 02**.
4. Determine the percentage relationship between the amount of insurance requested and 100% of Replacement Cost Value; round to the nearest 10%.
5. Find the percentage relationship from the Factor Chart below.
6. Multiply the factor by the premium developed in Item 3 above to obtain the Market Value Premium.

**FACTOR CHART**

Percentage Relationship	Factor
90	1.11
80	1.08
70	1.05
60	1.02
50	.99
40	.95
30	.89
20	.82
10	.72

## Example:

(Premiums used are for demonstration purposes only, not actual premiums.)

1. Coverage A amount insurance = \$20,000
2. Full Replacement Cost of dwelling = \$110,000
3. Premium developed for **HO 00 02** (\$110,000 Cov. A) = \$244
4. Relationship between Coverage A amount and Full Replacement Cost = \$20,000 divided by \$110,000 = 18.2%, rounded to 20%
5. 20% is equivalent to the .82 factor from the Factor Chart
6.  $(.82) \times \$244 = \$200.08$ , rounded to \$200.

**401. SUPERIOR CONSTRUCTION**

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry ADJUSTED BASE PREMIUM for a comparable dwelling or apartment unit by a factor of .85.

**402. TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT HO 00 04 and HO 00 06**

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the BASE PREMIUM by the appropriate factor selected from the following table.

Total No. of Individual Family Units Within the Fire Division*	Protection Class	
	1 – 8	9 & Over
<b>1 or 2 Family Dwelling</b>		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
<b>3 or 4 Family Dwelling</b>		
3 & 4	1.00	1.00
5 – 8	1.15	1.20

**Table 402. Townhouse and Row House Factors**

\* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

In the Preferred Program, town/row houses must meet the Single Building Definition (Rule 109.).

**403. PERSONAL PROPERTY (COVERAGE C) – REPLACEMENT COST LOSS SETTLEMENT**

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. Coverage C is increased to 70% of Coverage A limit.

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement **HO 04 61** is attached to a policy with Endorsement **HO 04 90**, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:
  - a. Jewelry;
  - b. Furs and garments trimmed with fur or consisting principally of fur;
  - c. Cameras, projection machines, films and related articles of equipment;
  - d. Musical equipment and related articles of equipment;
  - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
  - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

**403. PERSONAL PROPERTY (COVERAGE C) – REPLACEMENT COST LOSS SETTLEMENT** (continued)

2. Since the loss settlement condition in Endorsement **HO 04 61** will pay the insured the least of the:
  - a. Actual cash value of the property sustaining loss;
  - b. The amount for which the property could be repaired or replaced; or
  - c. 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.

**E. Scheduled Personal Property (With Agreed Value Loss Settlement)**

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement **HO 04 60** is attached to a policy with Endorsement **HO 04 90**, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

**F. Premium Determination**

Multiply the Base Premium including any premium adjustment for Coverage **C** limits by a factor of:

1. 1.10 for all forms except **HO 00 04** and **HO 00 06**.
2. 1.35 for Forms **HO 00 04** or **HO 00 06**.

**404. PROTECTIVE DEVICES**

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium, developed by applying the selected factors to the ADJUSTED BASE PREMIUM.

Type of Installation *	Factor
Central Station Reporting Burglar Alarm	.95
Central Station Reporting Fire Alarm	.95
Combined Central Station Reporting Burglar Alarm and Central Station Reporting Fire Alarm	.90
Police Station Reporting Burglar Alarm	.97
Fire Department Reporting Fire Alarm	.97
Combined Police Station Reporting Burglar Alarm and Fire Department Reporting Fire Alarm	.94
Local Fire Alarm	.98
Local Burglar Alarm	.98
Combined Local Fire Alarm and Local Burglar Alarm	.96
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.92
Fire Extinguishers	.98
Dead Bolts	.98
Combined Fire Extinguishers and Dead Bolts	.96

\* Refer to company for eligibility, types of systems and devices, installation, and available credits.

\*\* Maximum credit for burglar alarms, fire alarms and automatic sprinklers combined is .20.

Use Endorsement **HO 04 16** – Premises Alarm or Fire Protection System.

**406. DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. Refer to the Earthquake Coverage rule for applicable deductible provision.

A. Base Deductible  
 \$500 Deductible

B. Optional Deductible  
 \$250 Deductible

To develop the premium for this option, multiply the ADJUSTED BASE PREMIUM by the factor shown below.

C. Optional Higher Deductibles

The premium for this provision shall be developed by applying the **factors** listed below to the ADJUSTED BASE PREMIUM.

Deductible	Factor	
	HO-2, 3, 5	HO-4, 6
\$ 250	1.15	1.15
750	.95	.95
1,000	.90	.90
1,500	.86	.86
2,000	.83	.83
2,500	.79	.79
5,000	.67	.67
7,500	.62	Not Available
10,000	.59	Not Available

D. Windstorm or Hail Deductibles – All Forms Except HO 00 04 and HO 00 06

The following deductible options are used in conjunction with the deductible applicable to All Other Section I Perils

Note: The Windstorm or Hail Percentage Deductible x the Coverage A Amount must be greater than the All Other Perils Deductible amount.

1. If the residence premises is in the county of Benton, Washington, Crawford, Sebastian, Carroll, Madison, Franklin, Boone, Newton, Johnson, Marion, Baxter or Craighead, a minimum 5% Windstorm or Hail Deductible is required. If located in the remainder of the state, the Windstorm or Hail Deductible is an option.
2. Deductible amounts of 1%, 2%, 5%, 7.5% and 10% are available. The percentage applies to the policy's amount of insurance issued for Coverage A.
3. Attach Endorsement HO 03 12, Windstorm or Hail Percentage Deductible, to the policy.
4. Separately enter, on the policy declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils.

Example: Deductible – Section I \$500 except 5% for Windstorm or Hail Deductible.

5. In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**Example:**

Cov.	Limit of Liability	2% Ded.	Amt. of Loss	
			Before Ded.	After Ded.
A	\$100,000	\$2,000	\$ 7,500	–
B	50,000		3,000	–
C	10,000		1,350	–
D	20,000		660	–
			\$12,510	\$10,510

**406. DEDUCTIBLES** (continued)

6. The factors displayed below incorporate the factors for the All Perils Deductibles shown in C., above. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

Deductible Factors

To compute the premium for this provision, multiply the ADJUSTED BASE PREMIUM by the factor listed below for the deductible amount selected.

All Other Perils Ded. Amount	Windstorm or Hail Deductible Amount				
	1%	2%	5%	7.5%	10%
\$ 250	1.09	1.05	1.00	0.99	0.98
500	0.95	0.91	0.87	0.86	0.85
750	0.90	0.86	0.83	0.82	0.81
1,000	0.86	0.82	0.78	0.77	0.77
1,500	0.82	0.78	0.75	0.74	0.73
2,000	0.79	0.76	0.72	0.71	0.71
2,500	0.75	0.72	0.69	0.68	0.67
5,000	0.64	0.61	0.58	0.58	0.57
7,500	0.59	0.56	0.54	0.53	0.53
10,000	0.56	0.54	0.51	0.51	0.50

**450. NEWLY PURCHASED HOME CREDIT – FORMS HO 00 02, HO 00 03, or HO 00 05**

Dwellings purchased by the named insured within six (6) months of the original policy inception date will receive a newly purchased home credit for three years from the original date of policy issuance. The factor below will be applied to the ADJUSTED BASE PREMIUM for the first three policy terms.

Policy Term (Years)	Factor*
1st Term	0.97
2nd Term	0.98
3rd Term	0.99
4th Term or more	1.00

\* If the year built of the dwelling also qualifies for the New Home Credit, the higher of the Newly Purchased Home or New Home Credit will be applied.

**451. AGE OF HOME FACTOR – FORMS HO 00 02, HO 00 03, or HO 00 05**

Dwellings less than ten (10) years of age are eligible for a discount

The age of the dwelling is determined by subtracting the year in which construction of the house was completed from the inception year of the policy.

Select the **factor** shown below according to the age of the dwelling. The premium for this provision shall be developed by applying the **factor** listed below to the ADJUSTED BASE PREMIUM.

Age of Dwelling (Years)	Factor
1 year or less	.70
2 years	.73
3 years	.76
4 years	.79
5 years	.82
6 years	.85
7 years	.88
8 years	.91
9 years	.94
10 years	.97
11 to 40 years	1.00
41 years and older	1.10

#### 452. LOSS FREE DISCOUNT

A premium credit applies to the Primary Dwelling when the homeowner has not had a paid loss during the last three years. Loss experience will follow the named insured and not the dwelling.

See table below for applicable time frames and factors.

Years With Our Company	Factor
<3 years	.95
3+ years	.90

For the purpose of this rule, one Property Claims Service (PCS)-designated catastrophe claim will not be treated as a loss.

If a loss occurs after application of the credit, the credit will be removed at the next annual renewal.

This credit applies to the ADJUSTED BASE PREMIUM.

#### 453. COMPANION CREDIT

When a Homeowners policy and a private passenger auto policy are issued to cover the same policyholder, a credit will be applied to the total Homeowners policy premium.

Credit Eligibility Clarification:

1. Dwelling must be a primary dwelling.
2. An active status private passenger auto policy number for the same policyholder must be included.
3. No duplication of credit given in conjunction with any other multiple account credit.

Multiply the applicable policy premium by .85.

#### 454. LOSS SURCHARGE

A policy surcharge will be added when a Homeowners policy has experienced two or more paid losses of any kind (regardless of dollar amount or whether or not catastrophe related) or one paid liability loss in a three-year period. The surcharge will be applied as follows.

Two paid losses      1.15

Each paid liability loss an additional      1.15

#### 455. GROUP DISCOUNT

A discount for new business and renewals shall be applied to the total Homeowners policy premium for individuals within a Company -approved risk unit, excluding any premium for the following endorsements:

- **HO 04 60 & HO 04 61** – Scheduled Personal Property
- **F-4507** – Homeowners Full House Insurance Coverage
- **F-4278A** – Blanket Jewelry Endorsement
- **F-4680** – Adult Residential Community Endorsement
- **F-4666** – Water Back and Sump Overflow

A risk unit is a group of individuals who are members or employees of an organization, or individuals in a common occupation which has significant risk characteristics in common as to:

- actuarially justify an experience discount, or
- represent a significant cost savings to the Company in the method of marketing to the unit.

The member insured will lose the discount at the next expiration of the policy upon termination of their membership in the approved group or termination of their employment.

Home Office Underwriting management must approve the risk unit before the discount will apply.

**458. WOODBURNING STOVES**

Homes with woodburning stoves will be surcharged \$75. Woodstoves are defined as follows: any freestanding, fixed area heater or central solid/wood fueled heating device.

**459. MATURE HOMEOWNERS DISCOUNT**

A credit of 2% may be applied to the base premium when a named insured is age 55 years or older.

**460. HAZARDOUS CONDITION / TRAMPOLINE / POOL SLIDE OR DIVING BOARD SURCHARGE**

A. If there is a hazardous condition which is not corrected by the insured and which increases the likelihood of loss covered by this policy, the following factor applies:

An uncorrected hazardous condition            1.50

Hazardous Conditions include:

1. Electrical and Heating systems which present an undue risk of fire.
2. Plumbing systems which present a higher than average likelihood of sudden water discharge.
3. Roofs and other Outside Maintenance of Structures which increase the likelihood or severity of weather-related loss.
4. Premises Maintenance or Housekeeping characteristics, or an Adjacent Physical Hazard that would be considered unsafe and increase the chance of loss under the property or liability coverage of the policy.

If the Hazardous Condition(s) is corrected during the policy term, the corresponding surcharge will be eliminated the date that the corrections were completed.

B. Any insured that owns or has a trampoline or pool with a slide and/or diving board on premises will receive a premium charge for each as follows:

Trampoline	\$50
Pool with slide and/or diving board	\$25

**461. LIFE INSURANCE / ANNUITY POLICY CREDIT**

A premium credit of 5% will be applied to the total policy premium when a named insured has a homeowner policy and qualifying Life Insurance or Annuity policy with Harleysville.

Credit Eligibility:

1. Named insured listed on homeowner policy must match named insured on Life or Annuity policy.
2. Eligible Life / Annuity policies include: Harleysville Elite Term, Whole Life, Universal Life, Group Life and Accumulator Deferred Annuity.
3. This discount is in addition to any other applicable companion credits and applies only once regardless of the number of Life or Annuity policies in the household.
4. This credit will terminate at the first renewal following termination of the eligible Life or Annuity policy.

**462. FINANCIAL FACTOR**

The following factor applies to policies based on the financial stability of the named insured as documented by a consumer reporting agency credit profile designated by Harleysville Insurance. The financial stability will be verified on each new policy.

We will update the credit history and financial factor upon the request of the insured and/or update as required by the Arkansas Department of Insurance.

If the consumer reporting agency returns a message stating the file can not be scored due to no report on file or due to insufficient data to develop a score, the policy will be rated without the use of credit history, using factor 1.00.

462. FINANCIAL FACTOR (continued)

Financial Description	Factor
Financial Factor 1	0.73
Financial Factor 2	0.77
Financial Factor 3	0.81
Financial Factor 4	0.90
Financial Factor 5	0.94
Financial Factor 6	1.00
Financial Factor 7	1.08
Financial Factor 8	1.21
Financial Factor 9	1.27
Financial Factor 10	1.30
Financial Factor 11	1.52
Financial Factor 12	2.06
Financial Factor 88 (no hit)	1.00
Financial Factor 99 (no score)	1.00

472. CONDOMINIUM ASSOCIATION CREDIT – FORM HO 00 06 ONLY

When a condominium policy (**HO 00 06**) and the Condominium Association's commercial property policy for the same location are both written by a Harleysville Insurance company, a 3% credit will be applied to the total **HO 00 06** policy premium.

Credit eligibility clarification:

1. Condominium must be owner occupied.
2. An active status Harleysville commercial policy number for the Condominium Association policy must be included.

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SECTION I COVERAGES – PROPERTY

**502. BUILDING ADDITIONS AND ALTERATIONS – INCREASED LIMIT – FORM HO 00 04**

- A. The limit of liability of 10% of Coverage C may be increased.
- B. To develop the premium per \$1,000 of insurance, multiply the **HO 00 04** Key Factor for "Each Additional \$1,000" by the **HO 00 04** Key Premium.

Use Endorsement **HO 04 51** – Building Additions and Alterations Increased Limits.

**503. BUSINESS PROPERTY – INCREASED LIMITS**

- A. On-Premises
  - 1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
  - 2. Charge \$24 for each \$2,500 increase.
  - 3. The limit of liability in excess of \$2,500 does not apply to:
    - a. Business property in storage or held as a sample or for sale or delivery after sale.
    - b. Business property pertaining to a business actually conducted on the residence premises. (This exposure is addressed by **HO 04 42** – Permitted Incidental Occupancies.)

B. Off-Premises

When the on-premises limit is increased, the off-premises limit of \$500 is automatically increased, at no additional charge, to an amount that is 20% of the total on-premises limit of liability.

C. Use Endorsement **HO 04 12** – Increased Limits of Business Property.

**504. CREDIT CARD, ELECTRONIC FUND TRANSFER CARD OR ACCESS DEVICE, FORGERY AND COUNTERFEIT MONEY**

Coverage may be increased for loss by forgery or alteration in connection with credit cards, checks or drafts, or loss due to acceptance of counterfeit paper money. The basic policy provides \$500. The additional premium shall be developed as follows:

<b>New Limit</b>	
\$ 1,000.....	\$ 1
2,500.....	3
5,000.....	4
7,500.....	5
10,000.....	6

Use Endorsement **HO 04 53** – Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money Coverage Increased Limits.

**505. EARTHQUAKE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement **HO 04 54**.

B. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule.

Properties located in Earthquake Zone 2 **MUST** be written with a minimum Earthquake deductible of 15%.

Properties located in Earthquake Zone 3 **MUST** be written with a minimum Earthquake deductible of 10%.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A, B and C**.

Earthquake rates are displayed for the 5% and 10% deductibles. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph E. Premium for Higher Deductibles of this rule.

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505. EARTHQUAKE COVERAGE (continued)

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners.

Use Endorsement **HO 04 36** for all Forms.

D. Premium for Base Deductible – Rates per \$1,000

Develop the premium as follows:

1. Determine the Earthquake zone and refer to the appropriate table.
2. Determine the Policy Form that applies.
3. Select the rate according to construction type and deductible percentage from the Rate Table; and
4. Multiply the rate determined above by the:
  - a. Coverage A limit for Owners Forms without Signature Plus (**HO 00 02, HO 00 03 & HO 00 05**)
  - b. Coverage A limit for Owners Forms with Signature Plus (**HO 00 03**)
  - c. Coverage C limit for Owners Forms with Increased Coverage **C** (**HO 00 02, HO 00 03 & HO 00 05**)
  - d. Coverage C limit for Renter Form (**HO 00 04**)
  - e. Coverage C limit for Condo Form without Signature Plus (**HO 00 06**)
  - f. Coverage A limit for Condo Form with or without Signature Plus (**HO 00 06**)
  - g. Coverage B, D, Building Additions and Loss Assessment increased limits
  - h. Ordinance or Law total amount of insurance.

E. Premium for Higher Deductibles

Multiply the earthquake premium as developed for the 10% deductible above by the appropriate factor below:

Deductible Percentage	Factor	
	Frame & Superior	Masonry/Log
15%	.80	.80
20%	.65	.70
25%	.50	.60

† If exterior Masonry Veneer is covered, rate as masonry. If **not** covered, rate as Frame.

Policy Forms Zone 2 (Minimum 15% Deductible Required)	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	2.04	1.84	2.88	2.59	2.04	1.84
Owners – HO 3 with Signature Plus Coverage & HO 5	1.51	1.36	2.13	1.92	1.51	1.36
Owners – HO 2, 3 & 5 Increased Coverage C	1.32	1.19	1.44	1.30	1.32	1.19
Renters – HO 4	1.32	1.19	1.44	1.30	1.32	1.19
Condo – HO 6	1.32	1.19	1.44	1.30	1.32	1.19
Condo – HO 6 Coverage A with/without Signature Plus	1.32	1.19	1.44	1.30	1.32	1.19
Increased Coverage B, D, Building Additions and Loss Assessment	1.32	1.19	1.44	1.30	1.32	1.19

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Policy Forms Zone 3 (Minimum 10% Deductible Required)	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	1.65	1.49	2.42	2.18	1.65	1.49
Owners – HO 3 with Signature Plus Coverage & HO 5	1.22	1.10	1.79	1.61	1.22	1.10
Owners – HO 2, 3 & 5 Increased Coverage C	1.10	0.99	1.21	1.09	1.10	0.99
Renters – HO 4	1.10	0.99	1.21	1.09	1.10	0.99
Condo – HO 6	1.10	0.99	1.21	1.09	1.10	0.99
Condo – HO 6 Coverage A with/without Signature Plus	1.10	0.99	1.21	1.09	1.10	0.99
Increased Coverage B, D, Building Additions and Loss Assessment	1.10	0.99	1.21	1.09	1.10	0.99

Policy Forms Zone 4	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	1.14	1.03	1.43	1.29	1.14	1.03
Owners – HO 3 with Signature Plus Coverage & HO 5	0.84	0.76	1.06	0.96	0.84	0.76
Owners – HO 2, 3 & 5 Increased Coverage C	0.67	0.60	0.86	0.77	0.67	0.60
Renters – HO 4	0.67	0.60	0.86	0.77	0.67	0.60
Condo – HO 6	0.67	0.60	0.86	0.77	0.67	0.60
Condo – HO 6 Coverage A with/without Signature Plus	0.67	0.60	0.86	0.77	0.67	0.60
Increased Coverage B, D, Building Additions and Loss Assessment	0.67	0.60	0.86	0.77	0.67	0.60

Policy Forms Zone 5	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	0.50	0.45	0.68	0.61	0.50	0.45
Owners – HO 3 with Signature Plus Coverage & HO 5	0.46	0.41	0.61	0.55	0.46	0.41
Owners – HO 2, 3 & 5 Increased Coverage C	0.41	0.37	0.54	0.49	0.41	0.37
Renters – HO 4	0.41	0.37	0.54	0.49	0.41	0.37
Condo – HO 6	0.41	0.37	0.54	0.49	0.41	0.37
Condo – HO 6 Coverage A with/without Signature Plus	0.41	0.37	0.54	0.49	0.41	0.37
Increased Coverage B, D, Building Additions and Loss Assessment	0.41	0.37	0.54	0.49	0.41	0.37

Policy Forms Zone 6	Frame †		Masonry †/Log		Superior	
	5%	10%	5%	10%	5%	10%
Owners – HO 2 & 3	0.32	0.29	0.41	0.37	0.32	0.29
Owners – HO 3 with Signature Plus Coverage & HO 5	0.31	0.28	0.40	0.36	0.31	0.28
Owners – HO 2, 3 & 5 Increased Coverage C	0.29	0.26	0.38	0.34	0.29	0.26
Renters – HO 4	0.29	0.26	0.38	0.34	0.29	0.26
Condo – HO 6	0.29	0.26	0.38	0.34	0.29	0.26
Condo – HO 6 Coverage A with/without Signature Plus	0.29	0.26	0.38	0.34	0.29	0.26
Increased Coverage B, D, Building Additions and Loss Assessment	0.29	0.26	0.38	0.34	0.29	0.26

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**Earthquake Zones**

2 – Clay, Craighead, Crittenden, Cross, Greene, Mississippi and Pointsett

3 – Jackson, Lawrence, Lee, Monroe, Prairie, Randolph, Saint Francis and Woodruff

4 – Arkansas, Baxter, Cleburne, Conway, Desha, Faulkner, Fulton, Independence, Izard, Jefferson, Lincoln, Lonoke, Phillips, Pulaski, Sharp, Stone, Van Buren and White

5 – Boone, Bradley, Calhoun, Clark, Cleveland, Dallas, Drew, Garland, Grant, Hot Spring, Johnson, Marion, Newton, Perry, Pope, Saline, Searcy and Yell

6 – Ashley, Benton, Carroll, Chicot, Columbia, Crawford, Franklin, Hempstead, Howard, Lafayette, Little River, Logan, Madison, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Scott, Sebastian, Sevier, Union and Washington

**507. FORM HO 00 06 COVERAGE A DWELLING – BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE**

## A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$5,000 on a named perils basis. If increased limits are not desired, enter "\$5,000" under Coverage **A** – Dwelling on the Declarations pages.

## B. Increased Limits

The basic limit may be increased. The premium is developed based on the additional limit of insurance. The premium for each additional \$1,000 of insurance is developed as follows:

Multiply the **HO 00 06** Key Factor for "Each Add'l \$1,000" by the **HO 00 06** without **HO 17 31** Key Premium and round to the nearest dollar.

## C. Special Coverage

The Section **I** Perils Insured Against may be broadened to cover additional risks of loss. The additional premium for \$5,000 in the Basic Form is \$2. The rate for each additional \$1,000 of Coverage **A** is \$1.

Use Endorsement **HO 17 32** – Unit Owners Coverage A – Special Coverage.

**508. FORM HO 00 06 – UNITS REGULARLY RENTED TO OTHERS – Standard Program Only**

A. When a condominium unit or cooperative apartment is rented to others, coverage may be provided for theft or personal property

## B. Premium:

Multiply the Coverage **C** BASE PREMIUM (less credit for higher deductibles) by a factor of .25.

Use Endorsement **HO 17 33** – Unit Owners Rental to Others.

**509. UNIT OWNERS RENTED TO OTHERS – ADDITIONAL INSURED**

When a professional property management company is added as an additional insured a yearly charge of \$25 is applied.

Use Endorsement **HO 12 45** – Change Endorsement.

**510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES**

A. Coverage for a permitted incidental occupancy is limited under Section **I** and excluded under Section **II**. The policy may be endorsed to provide expanded Section **I** coverage and Section **II** coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises.

Use Endorsement **HO 04 42** – Permitted Incidental Occupancies – Residence Premises, for Sections **I** and **II** coverage.

## B. Permitted Incidental Occupancies

Examples of such occupancies are Offices, Schools or Studios, meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

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510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES (continued)

- C. If the permitted incidental occupancy is located in an other structure, Coverage **B** does not apply to that structure. See E. below, for charge for specific insurance on the structure.
- D. The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage **C** limits stated in the declarations. If increased Coverage **C** limits are desired, see Rule **515.A**.
- E. Premium:
  - 1. Section I
    - a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
    - b. If the permitted incidental occupancy is located in another structure, charge \$5 per \$1,000 of specific insurance on the structure.
  - 2. Section II
 

Refer to Rule **608**. to develop the premium for the increased Coverages **E** and **F** exposure.

511. LOSS ASSESSMENT COVERAGE

A. Residence Premises

1. Coverage Description

The policy 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. (Refer to Rule **505**. Earthquake Coverage for the Earthquake rule of application.)

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.

3. Premium

All Forms except **HO 00 03**, **HO 00 05** or **HO 00 06** with **HO 17 32**:

**New Amount of Coverage**

\$ 5,000 .....	\$ 3
10,000 .....	5
Each Add'l \$5,000 up to \$50,000.....	1

**HO 00 03**, **HO 00 05** or **HO 00 06** with **HO 17 32**:

**New Amount of Coverage**

\$ 5,000 .....	\$ 4
10,000 .....	7
Each Add'l \$5,000 up to \$50,000.....	2

B. Additional Locations

1. Coverage Description

- a. 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.
- b. No more than 2 additional locations can be written in addition to the residence premises.

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511. LOSS ASSESSMENT COVERAGE (continued)

2. Premium

The rates apply to each location covered:

All Forms except HO 00 03, HO 00 05 or HO 00 06 with HO 17 32:

New Amount of Coverage

\$ 1,000.....	\$ 5
5,000.....	8
10,000.....	10
Each Add'l \$5,000 up to \$50,000.....	1

HO 00 03, HO 00 05 or HO 00 06 with HO 17 32:

New Amount of Coverage

\$ 1,000.....	\$ 6
5,000.....	10
10,000.....	12
Each Add'l \$5,000 up to \$50,000.....	2

Endorsement F-4607 does not cover loss to property under Section I caused by Earthquake.

Use Endorsement F-4607 – Loss Assessment Coverage.

512. LOSS OF USE – INCREASED LIMIT

When the limit of liability for Coverage D is increased, charge \$4 per \$1,000 of additional insurance.

513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – FORMS HO 00 04 and HO 00 06

A. Coverage Increase

1. The basic amount of coverage may be initially increased to 100% of the Form HO 00 04 Building Additions and Alterations limit or 50% of the HO 00 06 Coverage A limit.
2. The amount may be further increased in 25% increments above those listed above.

B. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the HO 00 04 or HO 00 06 (whichever is appropriate) Key Factor for "Each Add'l \$1,000" by .30 and then multiplying that amount by the appropriate Key Premium.

Use Endorsement HO 04 77 – Ordinance or Law Coverage.

514. OTHER STRUCTURES

A. When insurance is written on a specific structure on the residence premises for:

1. increased limits, or
2. rented to others for residential purposes

the rates per \$1,000 of insurance mentioned below shall apply separately to each structure.

B. Increased Limits

Rate per \$1,000 .....\$4

Use Endorsement HO 04 48 – Other Structures on the Residence Premises – Increased Limits.

C. Rented to Others – Residence Premises

Use the sum of:

1. the rate of \$5 per \$1,000 of insurance, and
2. the premium for the increased Coverages E and F exposure, as developed from the Section II rules of this manual.

Use Endorsement HO 04 40 – Structures Rented To Others – Residence Premises.

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514. OTHER STRUCTURES (continued)

D. Off Premises Structures

All Forms – When insurance is written on a specific structure located away from the residence premises, the rate of \$5 per \$1,000 of insurance shall apply separately to each location.

Use Endorsement **HO 04 92** – Specific Structures Away From Residence Premises.

515. PERSONAL PROPERTY

A. Increased Limit

The limit of liability for Coverage C may be increased.

Rate per \$1,000:

- 1. **HO 00 02** or **HO 00 03** .....\$2
- 2. **HO 00 05** ..... 3

B. Increased Limits – Other Residences

Coverage for personal property usually located 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.

Rate per \$1,000 .....\$7

Use Endorsement **HO 04 50** – Increased Limits on Personal Property in Other Residences.

C. Reduction in Limit

The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.D**. The credit per \$1,000 is \$1.

D. Increased Special Limits of Liability

1. Jewelry, Watches and Furs

The special limit of liability of \$1,500 for theft of jewelry, watches and furs may be increased to a maximum of \$6,500 but not exceeding \$1,000 for any one article.

Rate per \$1,000.....\$17

2. Money and Securities

The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,500 limit on securities may be increased to a maximum of \$3,000.

Rate per \$100 Money.....\$6  
 Securities..... 4

3. Silverware, Goldware and Pewterware

The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500.

Rate per \$500 .....\$1

4. Firearms

The special limit of liability of \$2,500 for loss by theft of firearms may be increased to a maximum of \$6,500 in increments of \$100.

Rate per \$100.....\$3

5. Electronic Apparatus

a. The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability of being operated by other sources of power:

- (1) Up to \$1,500 for apparatus in or upon a motor vehicle or motorized land conveyance, and
- (2) Up to \$1,500 for apparatus **not** in or upon a motor vehicle that is away from the residence premises and used for business.

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515. PERSONAL PROPERTY (continued)

- b. Each of these limits may be increased to a maximum of \$6,000 in increments of \$500.

Rate per \$500.....\$10

Use Endorsement **HO 04 65** – Coverage C Increased Special Limits of Liability.

Use Endorsement **HO 04 66** – Coverage C Increased Special Limits of Liability for **HO 00 04** with **HO 05 24**, **HO 00 05** or **HO 00 06** with **HO 17 31**.

E. Refrigerated Personal Property

- 1. The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
- 2. A deductible of \$100 applies.
- 3. The premium is \$10.

Use Endorsement **HO 04 98** – Refrigerated Property Coverage.

516. PERSONAL PROPERTY – SCHEDULED

A. Introduction

Coverage may be provided on scheduled personal property.

B. Loss Settlement

- 1. Endorsement **HO 04 61** provides for standard loss settlement for all classes of property except Fine Arts; and agreed value loss settlement for Fine Arts.
- 2. Endorsement **HO 04 60** provides for agreed value loss settlement for the following classes:
  - a. Cameras
  - b. Furs
  - c. Jewelry
  - d. Musical Instruments
  - e. Silverware
  - f. Stamps and Rare Coins

This endorsement may also be used for scheduled articles of Fine Arts.

C. Endorsements

- 1. Use Scheduled Personal Property Endorsement **HO 04 61** for standard loss settlement or agreed value loss settlement for fine arts.
- 2. Use Scheduled Personal Property (with Agreed Value Loss Settlement) Endorsement **HO 04 60** for agreed value loss settlement.

D. Premium

Use the rate per \$100 of insurance shown in the table below to calculate the Standard Loss Settlement (**HO 04 61**) premiums.

When the Agreed value Loss Settlement form (**HO 04 60**) option is desired, multiply the standard loss settlement rate per \$100 of insurance by **1.20** to determine the final rate for each class.

Refer to underwriting guidelines before binding:

**Annual Rates per \$100 of Insurance – Standard Loss Settlement**

Class	Rate	Class	Rate
Cameras	.57	Musical Instruments	.17
Coins	.33	Silverware	.04
Furs	.07	Stamps	.21
Jewelry	.50		
Jewelry in Vaults	.22		

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516. PERSONAL PROPERTY – SCHEDULED (continued)

Fine Arts – Basic Premium Chart – Entire State

Amount of Insurance	1-4 Families		5+ Families	
	Masonry, Log & Frame		Masonry, Log & Frame	
	Protection Class 1-8	Protection Class 88, 9 & 10	Protection Class 1-8	Protection Class 88, 9 & 10
\$ 1,000	\$ 2	\$ 4	\$ 5	\$ 8
2,000	3	6	7	11
3,000	4	7	9	14
4,000	5	9	11	17
5,000	6	10	12	20
6,000	7	12	14	23
7,000	8	13	16	26
8,000	9	15	18	29
9,000	10	16	20	32
10,000	11	18	22	35
11,000	12	19	24	38
12,000	13	21	25	41
13,000	14	22	27	44
14,000	15	24	29	47
15,000	16	25	31	50
16,000	16	27	33	53
17,000	17	28	35	56
18,000	18	30	37	59
19,000	19	31	38	62
20,000	20	33	40	65
21,000	21	34	42	68
22,000	22	36	44	71
23,000	23	37	46	74
24,000	24	39	48	77
25,000	25	40	50	80
30,000	29	48	59	95
35,000	34	55	68	110
40,000	39	63	78	125
45,000	43	70	87	140
50,000	48	78	96	155
100,000	95	153	189	305

Fine Arts Rates Over \$100,000 (Rate per \$1000)

Masonry/Log	Frame
Protection Class	Protection Class
1-10	1-10
\$1	\$1

A Minimum premium of \$17 per year applies.

**Fine Arts Breakage**

Coverage may be provided against the risk of breakage on certain items insured under Endorsement **HO 04 61**. The additional premium shall be 1.38 per \$1,000 of insurance.

Use Endorsement **HO 04 61** – Scheduled Personal Property.

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518. SINKHOLE COLLAPSE COVERAGE – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Determination

Multiply 0.33 per \$1,000 by:

- (1) Coverage A amount of insurance;
- (2) Increased Limits for Coverage C and D;
- (3) Loss Assessment Coverage, increased limits and additional locations;
- (4) Ordinance or Law Coverage, basic amount and, if applicable, increased amount of coverage;
- (5) Other Building or Structure options (e.g., Other Structures HO 04 40, HO 04 48 and HO 04 92; Building Additions and Alterations HO 04 51).

Use Endorsement HO 04 99 – Sinkhole Collapse.

519. SPECIAL COMPUTER COVERAGE – ALL FORMS EXCEPT HO 00 04 with HO 05 24, HO 00 05 or HO 00 06 with HO 17 31

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

The premium is \$14.

Use Endorsement HO 04 14 – Special Computer Coverage.

521. WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW

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.

The policy may be endorsed to provide such coverage for the limits noted below subject to a \$250 Deductible. No other deductible option is available.

Rates:

\$ 40	for \$ 5,000 limit
70	for \$10,000 limit
85	for \$15,000 limit
120	for \$25,000 limit
190	for \$50,000 limit

Use Endorsement F-4666 Back Up of Sewer or Drain Coverage.

522. LANDLORDS FURNISHINGS

A. Basic Limit

Forms HO 00 02, HO 00 03 and HO 00 05 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 unit is \$2,500.

B. Increased Limits

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.

C. Premium

Rate per \$500 .....\$2

D. Endorsement

Use Landlord's Furnishings Endorsement HO 05 46.

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**523. ASSISTED LIVING CARE COVERAGE**

A. Introduction

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 that insured's household.
2. An assisted living care facility is a 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.

Increased limits are not available.

C. Premium

The additional annual premium shall be \$75 per person / location.

D. Endorsement

Use Assisted Living Care Coverage Endorsement **HO 04 59**.

**524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD**

A. Introduction

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. Coverage Description

1. 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.
2. All coverages and provisions under Sections **I** and **II** of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages **A**, **B** and **D** (Fair Rental Value only).

C. Premium

The additional annual premium shall be \$58 per policy.

D. Endorsement

Use Other Members Of Your Household Endorsement **HO 04 58**.

**551. EXCESS DWELLING COVERAGE – FORMS HO 00 02, HO 00 03 and HO 00 05**

- A. This optional endorsement provides replacement cost on the building over the Coverage **A** limit of liability shown on the declarations page.

<b>Coverage Option</b>	
<b>Amount</b>	<b>Rating Factor</b>
Additional 25%	1.03

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551. EXCESS DWELLING COVERAGE – FORMS HO 00 02, HO 00 03 and HO 00 05 (continued)

B. The insured must agree to:

- 1. Insure the dwelling to 100% of its full replacement cost.
- 2. Maintain 100% of full replacement cost by accepting any yearly cost of construction adjustments.
- 3. Notify the company within 30 days of improvements to dwelling in excess of \$5,000 or 5% of the Coverage A limits.
- 4. Repair or replace the dwelling at the location insured with a dwelling of similar size, kind and quality.

C. Underwriting requirements are as follows:

- 1. Coverage A must be 100% of replacement cost.
- 2. Coverage C cannot be less than 50% of the Coverage A amount.
- 3. Replacement Cost Coverage may be written on Forms HO 00 02, HO 00 03 and HO 00 05 only.
- 4. Market value of the dwelling must be equal to 80% or more of replacement cost.

A Cost Estimator must accompany the application or policy.

Use Endorsement HO 23 47 – Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A – Dwelling).

552. HOMEOWNERS FULL HOUSE INSURANCE COVERAGE

This endorsement provides a package of increased limits and extra coverages including:

Increased Special Limits on Personal Property:

- Securities and Accounts ..... to \$2,000
- Loss by Theft of Jewelry & Furs ..... to \$5,500
- Loss by Theft of Silverware and Goldware ..... to \$5,000

Additional Coverages Increases:

- Credit Card/Fund Transfer limit increased to \$1,000

Added Coverages:

- Animal Death Coverage..... \$100 per animal/  
\$500 total limit
- Refrigerated Property Spoilage ..... \$500
- Lock Replacement ..... \$250
- Extra Mortgage Expense ..... \$10,000

Section II:

- Personal Injury Coverage included
- Claims expenses increased up to \$300 per day

The premium is \$30.

Use Endorsement F-4507 – Homeowners Full House Insurance Coverage.

555. HOME UNDER CONSTRUCTION ENDORSEMENT – FORM HO 00 03 ONLY

Coverage is available for homes under construction under Form HO 00 03 only.

Eligibility:

- 1. Coverage A – Dwelling amount must be insured up to 100% of estimated completed value.
- 2. Construction must be performed by a licensed building contractor and must be complete within 180 days.
- 3. Coverage ceases when home is occupied; 30 days after completion; or at first renewal; whichever comes first.

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555. HOME UNDER CONSTRUCTION ENDORSEMENT – FORMS HO 00 03 and HO 00 05 ONLY (continued)

**Additional Coverages provided at no charge:**

1. **Theft of Building Materials** which will become a part of the dwelling are covered up to the Coverage A limit. There is no coverage for tools or materials not destined to become a part of the dwelling.
2. If requested, **Section I and II** Coverages extended to the **Temporary Residence Premises** occupied by the insured and **shown on the endorsement**.
3. **Theft of Personal Property** from the dwelling under construction is covered if the property is taken from a **locked building**. **Payment is limited to 10% of Coverage C** for theft from the dwelling or the Temporary Residence Premises.
4. **Loss of Use** is covered if a delay in occupancy results from a covered peril.
5. **Collapse** includes loss to the foundation from hydrostatic pressure from water below the surface of the ground.

Use **LS HO 01** – Home Under Construction Endorsement.

557. SIGNATURE<sup>SM</sup> HOMEOWNERS – FORMS HO 00 03, HO 00 04, HO 00 05 and HO 00 06  
SIGNATURE<sup>SM</sup> PLUS HOMEOWNERS – FORMS HO 00 03 and HO 00 06

- A. **SIGNATURE HOMEOWNERS** provides a package of increased limits and extra coverages including, but not limited to the following:

**Section I:**

Coverage A – Dwelling Replacement Cost Protection, capped at 125% of Coverage A limit  
Increases Coverage C limit to 70% of Coverage A limit  
Coverage C – Personal Property Replacement Cost Protection

**Increased Special Limits on Personal Property:**

Money ..... to \$1,000  
Securities ..... to \$5,500  
Watercraft ..... to \$2,500  
Trailers ..... to \$3,500  
Business Property on residence premises ..... to \$10,000  
Business Property away from residence premises ..... to \$1,250  
Loss by Theft of Jewelry & Furs ..... to \$5,500  
Loss by Theft of Silverware and Goldware ..... to \$10,000  
Loss by Theft of Firearms ..... to \$5,500

**Additional Coverages Increases:**

- Credit Card/Fund Transfer limit ..... to \$10,000
- Fire Department Service Charge ..... to \$1,000
- Loss Assessment ..... to \$5,000
- Limit for trees, shrubs and other plants increased to \$1,000 per item and the total limit is 5% of Coverage A for Forms **HO 00 02, HO 00 03 and HO 00 05** and 10% Coverage C for Forms **HO 00 04 and HO 00 06**.
- Coverage up to \$1000 for debris removal of insured's trees felled by windstorm or hail or weight of ice, snow or sleet; or removal of insured's neighbor's trees which fall on insured's property because of a Coverage C peril.

**Added Coverages:**

- Animal Death Coverage ..... \$100 per animal/  
\$500 total limit
- Refrigerated Property Spoilage ..... \$500
- Extra Expense Mortgage Coverage ..... \$10,000
- Lock Replacement up to \$500
- Ordinance or Law Coverage up to Coverage A limit of liability
- Fine Arts Blanket Coverage ..... \$5,000
- The inventory requirement is waived when there is total loss to the dwelling. The total amount of the Coverage C limit is paid.

**Section II:**

- Personal Injury Coverage included
- Damage to Property of Others increased to \$1,500
- Claims expenses increased up to \$300 per day
- Watercraft Liability Coverage for owned watercraft less than 32 feet in length

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557. SIGNATURE<sup>SM</sup> HOMEOWNERS – FORMS HO 00 03, HO 00 04, HO 00 05 and HO 00 06  
SIGNATURE<sup>SM</sup> PLUS HOMEOWNERS – FORMS HO 00 03 and HO 00 06 (continued)

**Eligibility:**

Refer to homeowners underwriting guidelines.

**Premium:**

Individual coverage may not be deleted from the endorsement. The premium is computed as follows:

1. From the Territory Table, select the premium for the applicable Territory.
2. From the Protection/Construction Table select the factor for the applicable Protection Class and Construction Type.
3. Multiply the Territory premium by the Protection Class/Construction Factor to develop the KEY PREMIUM.
4. Select the limit of liability from the Key Factor Chart.
5. Multiply the KEY PREMIUM by the KEY FACTOR.
6. Multiply the premium calculated in Step 5. above by 1.25 for HO 00 03 and HO 00 05 and 1.45 for HO 00 04 and HO 00 06 to develop the BASE PREMIUM.
7. All additional coverages are rated in accordance with the Sequence Rating Rule 300.
8. The liability charge for this endorsement is added last.

\* This premium is subject to additional credits and surcharges in accordance with Rule 300.

Use Endorsement F-4706 – Signature<sup>SM</sup> Homeowners Endorsement – Arkansas.

- B. SIGNATURE PLUS HOMEOWNERS provides the increased limits and extra coverages included in the SIGNATURE HOMEOWNERS listed above with the following enhancements:

**Section I:**

Coverage C – All Risk Coverage included

**Increased Special Limits on Personal Property:**

- Loss by theft, misplacing or losing of Jewelry, Watches & Furs to \$10,000  
The maximum amount we will pay for an individual item, pair or set in any one loss is \$5,000.

**Additional Coverages Increases:**

- Fire Department Service Charge ..... to \$2,000

**Added Coverages:**

- Police Department Service Charge .....\$50 per occurrence/  
\$250 per policy period
- Water Back-Up and Sump Discharge or Overflow..... \$20,000

**Premium:**

Individual coverage may not be deleted from the endorsement. The premium is multiplied by the following factors:

Form	Factor
HO 00 03	1.35
HO 00 06	1.55

Use Endorsement F-4707 – Signature<sup>SM</sup> Plus Homeowners Endorsement – Arkansas.

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558. IDENTITY FRAUD EXPENSE COVERAGE

A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available 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 and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for re-applying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limits of Liability

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

C. Premium Computation

The premium charge for this endorsement is \$35.

D. Endorsement

1. Use Identity Fraud Expense Coverage Endorsement **HO 04 55**.
2. This endorsement provides complete details on coverages, definitions and additional policy conditions applicable to this coverage.

560. ADULT RESIDENTIAL COMMUNITY COVERAGE

For insureds residing in Adult Residential Communities **that have been approved by the underwriting department.**

This endorsement provides replacement cost contents coverage and a package of increased limits and extra coverages including:

**Section I:**

Coverage C – Personal Property Replacement Cost Protection

Coverage C – All Risk Coverage

**Increased Special Limits on Personal Property:**

- Money..... to \$1,000
- Securities and Accounts ..... to \$5,000
- Loss by theft, misplacing or losing of jewelry to ..... to \$2,500
- Loss by theft, misplacing or losing of silverware or goldware..... to \$2,500

**Additional Coverage Increases:**

- Limit for trees, shrubs and other plants increased to \$1,000 per item and the total limit is 10% of Coverage C
- Credit Card/Fund Transfer limit increased to \$10,000
- Loss Assessment increased to \$10,000

**Added Coverages:**

- Animal Coverage.....\$100 per animal  
..... \$500 total limit
- Refrigerated Property Coverage.....\$500
- Lock Replacement .....\$500
- Golfer's Equipment.....\$1500

**Section II:**

- Personal Injury coverage included
- Extended coverage for golf carts
- Claims expenses increased up to \$300 per day

**Premium:**

Individual coverage may not be deleted from the endorsement. The premium is multiplied by a factor of 1.40 and is not subject to further credits or debits.

Use Endorsement **F-4680** – Adult Residential Community Endorsement

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**561. BUSINESS IN THE HOME COVERAGE – FORMS HO 00 02, HO 00 03, HO 00 05 and HO 00 06 ONLY**

- A. Coverage of a home business is limited under Section I and excluded under Section II. The policy may be endorsed to provide expanded Section I and II coverage for a full or part-time home business, for certain classes, in the dwelling or in an other structure on the residence premises.
- B. If the home business is located in an other structure, Coverage B does not apply to that structure. See E. below for premium charge for specific insurance on that structure.
- C. The standard home business endorsement covers business personal property up to \$10,000 within the Coverage C limits stated in the declaration. The Home Business Solutions endorsement minimum limit is \$20,000. If increased Coverage C limits are desired, up to a maximum of \$50,000, the premium charge is \$4 per \$1,000.
- D. Home Business Solutions coverage also includes loss of actual business income in the event of a covered loss and \$2,500 in money under increased special limits on premises.

E. Premium

1. Section I

- a. Home business is located in the dwelling –

Standard rate ..... \$125  
 Home Business Solutions rate ..... \$170

- b. Home business is located in an other structure – Add \$4 per \$1,000 of specific insurance on the structure to the applicable rate in a., above.

2. Section II

- a. Coverage E – Liability

(1) Classifications – The appropriate Class Code should be entered on the Supplemental Application.

(2) Rates

(a) **Minimum Limit**                      **Rate**

\$300,000 Mandatory              \$13

(Note: If policy liability limit is currently less than \$300,000, the Standard or Preferred liability limit must be raised to \$300,000.)

(b) **Increased Limits** – Rates shown below include the rate for \$300,000 liability, the increased limit of liability (Rule 601), and the additional liability charge for the in-home business exposure.

\$500,000                                      \$29

(3) For the Home Business Solutions Endorsement, the Aggregate Limit of Liability is twice the combined limit of Sections I and II.

- b. Coverage F – Medical Payments

Limit	Rate
\$1,000	–
2,000	\$ 6
3,000	14
5,000	28

Home Business Solutions – \$2,000 Medical Payments included at no charge.

For Standard coverage use endorsement **F-4533** – Business in the Home Coverage, for Sections I and II. For Home Business Solutions Coverage use endorsement **F-4532** – Home Business Solutions.

F. Endorsements

Financial arrangements of the home business may require the use of one or more of the following endorsements:

- 1. Lessor of leased equipment – When business equipment is leased, use endorsement **F-4285**, Additional Insured – Lessor of Leased Equipment, to provide the lessor with notice of cancellation and protection for vicarious liability for the acts of the insured.
- 2. Should a third party extend a loan or mortgage involved with financing the home business or franchise, use endorsement **F-4281**, Additional Insured – Financial Interest.
- 3. The company who holds the franchise may request status as an additional insured, the right to be notified of cancellation. Use endorsement **F-4284**, Additional Insured – Grantor of Franchise.
- 4. For loss payees who have financed business equipment, use endorsement **F-4280**, Loss Payable Provisions (Business in the Home).

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**562. BLANKET JEWELRY ENDORSEMENT**

- A. The policy may be endorsed to provide blanket coverage on jewelry. Limits of liability are available under this option in increments of \$5,000 up to a maximum of \$50,000. An individual item limit of \$5,000 applies.
- B. The premium charge is:
  - \$50 for the first \$5,000
  - \$30 for each additional \$5,000 increment

Use Endorsement **F-4278A** – Blanket Jewelry Endorsement.

**564. BOAT ENDORSEMENT**

Special rules and rates apply for inland marine coverage of boats, including outboard motors, boat accessories, inboard-outboard boats, sailboats, personal watercraft & similar jet powered watercraft and trailers. Coverage settled on an Actual Cash Value basis is afforded on an all-risk basis by adding Boat Endorsement **IM-4480** to a Homeowners policy. A 100% coinsurance clause applies.

**Eligibility** – See *Homeowners Underwriting Guidelines* for additional eligibility restrictions

The base deductible is equal to \$250.

The policy may be endorsed to provide a higher flat deductible of \$500 or \$1,000. The premium is developed by applying the following premium credits against the appropriate \$250 deductible premium from the premium tables.

\$500 Deductible	15% credit
\$1,000 Deductible	25% credit

The annual minimum premium is \$25, subject to a minimum earned premium of \$15 for this coverage.

If a boat is used more often on the Great Lakes, indicate Condition 2.c. on Endorsement **IM-4480**.

**Rates:**

Outboard Motors and Boats	\$1.35 per \$100
Inboard-Outboard Units	\$1.42 per \$100
Inboards	\$1.55 per \$100
Sailboats	\$0.85 per \$100
Personal Watercraft & jet-powered watercraft:	
Standard Performance	\$2.00 per \$100
Performance Units	\$3.00 per \$100

Use Boat Endorsement **IM-4480**.

**565. MISCELLANEOUS PROPERTY FLOATER**

The Miscellaneous Property Floater offers a means of providing coverage on property not covered under classes not found in other rules in this manual.

Coverage can be provided on either **IM-4478**, Named Perils Form or **IM-4479**, Special Form. Coverage is provided within the limits of the United States and Canada.

Deductible is to be stated on the form.

A complete description of covered items is to be stated on the form.

Rates vary depending on type of item, type of coverage, deductible, exposures, etc. Refer to Company for classes not shown.

	Named Perils per \$100	Special Form per \$100	Required Deductible
Personal Computers – other than laptops	0.85	1.00	\$100
Laptops	3.50	4.00	\$100
Lawn Tractors	2.50	3.00	\$100
Stereo Equipment, VCRs , DVDs	0.85	1.00	\$100

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**565. MISCELLANEOUS PROPERTY FLOATER** (continued)

Contact underwriting before binding:

- 1) individual items valued in excess of \$15,000; or
- 2) schedules in excess of \$50,000.

Minimum premiums are \$50 for **IM-4478**, Named Perils Form and \$75 for **IM-4479**, Special Form.

Use Miscellaneous Property Floater – Named Perils – **IM-4478** or Miscellaneous Property Floater Special Form – **IM-4479**.

**566. SPORTS EQUIPMENT FLOATER**

This coverage insures against all-risks of loss or damage to property insured, except as excluded or limited in the form, and can be added to a Homeowners policy by means of **HO 04 61** and **IM-153**. Coverage is provided within the territory of Canada and the United States, excluding Alaska and Hawaii. Sports equipment schedules should include the name of the item, the manufacturer, the serial number and any other descriptive information available.

Rate: \$3 per \$100

Use Sports Equipment Floater – **IM-153**

**567. SNOWMOBILES, TRACTORS AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE**

The basic homeowner policy (all forms) excludes personal property coverage for owned motor vehicles and all other motorized land conveyances including their equipment and accessories while upon the vehicle or conveyance.

Owned vehicles or conveyances not subject to motor vehicle registration which are used to service an insured's residence or are designed for assisting the disabled are covered for named perils. See policy for exclusions.

**A. Eligibility** – Refer to Homeowner Underwriting Guidelines for additional requirements.

1. Snowmobiles, tractors and motorized land conveyances such as all-terrain vehicles (ATV) or golf carts are eligible if written in conjunction with the homeowners policy and otherwise meet eligibility requirements.
2. Units used in whole or in part for organized races are ineligible.
3. Units modified from their original design must receive prior approval.
4. Snowmobiles and motorized land conveyances used on a public road or subject to motor vehicle registration are ineligible.
5. Tractors used occasionally off the residence premises and not subject to motor vehicle registration are eligible if they otherwise meet eligibility requirements.
6. Snowmobiles over 600cc's or all-terrain vehicles over 400cc's may be subject to a surcharge if accepted.

**B. Coverage:** Units are insured for risks of direct loss subject to exclusions. Specific coverage automatically includes:

1. Equipment which is permanently attached.
2. Accessories designed for use therewith.

**C. Amount of Insurance:** Coverage applies to the extent of actual cash value (ACV). Premiums are based upon the ACV of all equipment to be insured.

1. Determine current ACV.
2. Sum total of ACV for each individual:
  - a. Snowmobile, tractor, all terrain vehicle or golf cart
  - b. Equipment attached hereto.
  - c. Accessories
  - d. Trailer
3. Reference – actual sales receipt for a recent purchase, or a current appraisal service such as NADA, Edmunds or other official trade in guide.

**D. Deductible:** Each unit is subject to a minimum deductible of \$250. Deductible options of \$500 and \$1,000 are available.

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567. SNOWMOBILES, TRACTORS AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE (continued)

E. Automatic Coverage

Coverage is automatically extended for a period of 14 days to cover replacement or newly acquired units of similar class and kind.

F. Exclusions: Coverage is excluded for units:

1. subject to motor vehicle registration.
2. used to carry persons for a fee.
3. used for business purposes.
4. rented to others.
5. used in prearranged races, speed contests, and competitions.

G. Rates

	Snowmobiles, ATV and Trailers					
	Standard Performance			High Performance		
	\$250 ded	\$500 ded	\$1000 ded	\$250 ded	\$500 ded	\$1000 ded
\$ 0 – \$1,500	\$36	\$30	\$25	\$54	\$45	\$38
1,501 – 2,000	\$60	\$50	\$42	\$90	\$75	\$63
2,001 – 2,500	\$84	\$70	\$59	\$126	\$105	\$89
2,501 – 3,000	\$107	\$90	\$76	\$161	\$135	\$114
3,001 – 3,500	\$131	\$109	\$93	\$197	\$164	\$140
3,501 – 4,000	\$155	\$129	\$110	\$233	\$194	\$165
4,001 – 4,500	\$179	\$149	\$127	\$269	\$224	\$191
4,501 – 5,000	\$203	\$169	\$144	\$305	\$254	\$216
5,001 – 5,500	\$227	\$189	\$161	\$341	\$284	\$242
5,501 – 6,000	\$251	\$209	\$178	\$377	\$314	\$267
6,001 – 6,500	\$275	\$229	\$194	\$413	\$344	\$291
6,501 – 7,000	\$298	\$249	\$211	\$447	\$374	\$317
7,001 – 7,500	\$322	\$269	\$228	\$483	\$404	\$342
7,501 – 8,000	\$346	\$288	\$245	\$519	\$432	\$368
8,001 – 8,500	\$370	\$308	\$262	\$555	\$462	\$393
8,501 – 9,000	\$394	\$328	\$279	\$591	\$492	\$419
9,001 – 9,500	\$418	\$348	\$296	\$627	\$522	\$444
9,501 - 10,000	\$442	\$368	\$313	\$663	\$552	\$470
10,001 - 10,500	\$466	\$388	\$330	\$699	\$582	\$495
10,501 - 11,000	\$489	\$408	\$347	\$734	\$612	\$521
11,001 - 11,500	\$513	\$428	\$364	\$770	\$642	\$546
11,501- 12,000	\$537	\$448	\$381	\$806	\$672	\$572

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## 567. SNOWMOBILES AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE (continued)

	Golf Carts		
	\$250 ded	\$500 ded	\$1000 ded
\$ 0 –\$1,500	\$30	\$25	\$21
1,501 – 2,000	\$50	\$41	\$35
2,001 – 2,500	\$70	\$58	\$49
2,501 – 3,000	\$90	\$75	\$63
3,001 – 3,500	\$109	\$91	\$78
3,501 – 4,000	\$129	\$108	\$92
4,001 – 4,500	\$149	\$124	\$106
4,501 – 5,000	\$169	\$141	\$120
5,001 – 5,500	\$189	\$158	\$134
5,501 – 6,000	\$209	\$174	\$148
6,001 – 6,500	\$229	\$191	\$162
6,501 – 7,000	\$249	\$207	\$176
7,001 – 7,500	\$269	\$224	\$190
7,501 – 8,000	\$288	\$240	\$204
8,001 – 8,500	\$308	\$257	\$218
8,501 – 9,000	\$328	\$274	\$233
9,001 – 9,500	\$348	\$290	\$247
9,501 - 10,000	\$368	\$307	\$261
10,001 - 10,500	\$388	\$323	\$275
10,501 - 11,000	\$408	\$340	\$289
11,001 - 11,500	\$428	\$356	\$303
11,501- 12,000	\$448	\$373	\$317

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567. SNOWMOBILES AND MOTORIZED LAND CONVEYANCES – PHYSICAL DAMAGE (continued)

	Tractors		
	\$250 ded	\$500 ded	\$1000 ded
\$ 0 –\$1,500	\$30	\$25	\$21
1,501 – 2,000	\$50	\$41	\$35
2,001 – 2,500	\$70	\$58	\$49
2,501 – 3,000	\$90	\$75	\$63
3,001 – 3,500	\$109	\$91	\$78
3,501 – 4,000	\$129	\$108	\$92
4,001 – 4,500	\$149	\$124	\$106
4,501 – 5,000	\$169	\$141	\$120
5,001 – 5,500	\$189	\$158	\$134
5,501 – 6,000	\$209	\$174	\$148
6,001 – 6,500	\$229	\$191	\$162
6,501 – 7,000	\$249	\$207	\$176
7,001 – 7,500	\$269	\$224	\$190
7,501 – 8,000	\$288	\$240	\$204
8,001 – 8,500	\$308	\$257	\$218
8,501 – 9,000	\$328	\$274	\$233
9,001 – 9,500	\$348	\$290	\$247
9,501 - 10,000	\$368	\$307	\$261
10,001 - 10,500	\$388	\$323	\$275
10,501 - 11,000	\$408	\$340	\$289
11,001 - 11,500	\$428	\$356	\$303
11,501- 12,000	\$448	\$373	\$317
12,001 - 12,500	\$468	\$390	\$331
12,501 – 13,000	\$488	\$407	\$345
13,001 – 13,500	\$508	\$424	\$359
13,501 – 14,000	\$528	\$441	\$373
14,001 – 14,500	\$548	\$458	\$387
14,501 – 15,000	\$568	\$475	\$401
15,001 – 15,500	\$588	\$492	\$415
15,501 – 16,000	\$608	\$509	\$429
16,001 – 16,500	\$628	\$526	\$443
16,501 – 17,000	\$648	\$543	\$457
17,001 – 17,500	\$668	\$560	\$471
17,501 – 18,000	\$688	\$577	\$485
18,001 – 18,500	\$708	\$594	\$499
18,501 – 19,000	\$728	\$611	\$513
19,001 – 19,500	\$748	\$628	\$527
19,501 – 20,000	\$768	\$645	\$541

For amounts not shown, refer to company.

Use Endorsement **IM-4483** – Snowmobile and Motorized Land Conveyance – Physical Damage

Refer to Rule **616**. for Liability Coverage.

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**568. GUN FLOATER**

Gun schedules should include a description of each gun including the name of the manufacturer, the serial or identifying number, model, caliber or gauge, finish and if available, the cost and date of purchase.

Rate per \$100 – \$3.00

Use Gun Endorsement – **IM-4471**