

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
Filing Company: QBE Insurance Corporation State Tracking Number:
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Filing at a Glance

Company: QBE Insurance Corporation

Product Name: Homeowners QBEIC

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI
Combinations

Filing Type: Form/Rate/Rule

SERFF Tr Num: QBEC-127015393 State: Rhode Island

SERFF Status: Closed-(02)

Approved

Co Tr Num: 11-043-000-HO-RI

Author: Virginia Putzu

Date Submitted: 02/16/2011

State Tr Num:

State Status: (08) Closed -

Approved With Review

Reviewer(s): Candy Casala, CIC,
Debra Stein, Ronald Make,
Augustine Park

Disposition Date: 10/13/2011

Disposition Status: (02) Approved

Effective Date (New):

Effective Date (Renewal):

Effective Date Requested (New): 05/01/2011

Effective Date Requested (Renewal): 05/01/2011

General Information

Project Name:

Project Number:

Reference Organization: ISO

Reference Title:

Filing Status Changed: 10/13/2011

State Status Changed: 10/13/2011

Created By: Virginia Putzu

Corresponding Filing Tracking Number:

Filing Description:

We hereby file our initial forms/rate/rules filing for the Homeowners Program for QBE Insurance Corporation ("QBE").

Status of Filing in Domicile: Authorized

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Virginia Putzu

Company and Contact

Filing Contact Information

Virginia Putzu, Filing Manager

88 Pine Street, 16th Floor

Wall Street Plaza

New York, NY 10005

Virginia.Putzu@QBEAmericas.com

212-805-9740 [Phone]

212-805-9809 [FAX]

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners QBEIC
 Project Name/Number: /

Filing Company Information

QBE Insurance Corporation CoCode: 39217 State of Domicile: Pennsylvania
 88 Pine Street - 16th Floor Group Code: 796 Company Type:
 New York, NY 10005 Group Name: QBE Insurance State ID Number:
 Group
 (212) 422-9888 ext. [Phone] FEIN Number: 22-2311816

Filing Fees

Fee Required? Yes
 Fee Amount: \$40.00
 Retaliatory? No
 Fee Explanation: \$40 per policy
 Per Company: Yes

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
QBE Insurance Corporation	\$40.00	02/16/2011	44754750

State Specific

This is a rate filing and I have completed the Rate Data fields on the Rate/Rule Schedule (Yes/No).: No - new program

SERFF Tracking Number: QBEC-127015393

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Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners QBEIC

Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
(02) Approved	Candy Casala, CIC	10/13/2011	10/13/2011

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Response to Teleconference of September 15, 2011 with Exhibits	Virginia Putzu	09/20/2011	09/20/2011
Form	EXTRAORDINARY LIFE EVENT NOTICE	Virginia Putzu	08/25/2011	08/25/2011
Supporting Document	Response to Teleconference of August 16, 2011 with Exhibit	Virginia Putzu	08/25/2011	08/25/2011
Form	EXTRAORDINARY LIFE EVENT NOTICE	Virginia Putzu	07/26/2011	07/26/2011
Rate	QBEIC Homeowners Manual	Virginia Putzu	07/26/2011	07/26/2011
Supporting Document	Response to Letter of April 7, 2011 with Exhibits	Virginia Putzu	07/26/2011	07/26/2011
Supporting Document	Response to Letter of March 18, 2011 with Exhibits	Virginia Putzu	03/23/2011	03/23/2011

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Response to Telephone call of October 6, 2011	Note To Reviewer	Virginia Putzu	10/07/2011	10/07/2011
Response to the teleconference of	Note To Reviewer	Virginia Putzu	09/20/2011	09/20/2011

SERFF Tracking Number: QBEC-127015393 *State:* Rhode Island
Filing Company: QBE Insurance Corporation *State Tracking Number:*
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /
 September 15, 2011

Confirmation of Teleconference	Note To Filer	Debra Stein	09/15/2011 09/15/2011
Request for Teleconference	Note To Filer	Debra Stein	09/08/2011 09/08/2011
Response to the teleconference of August 16, 2011	Note To Reviewer	Virginia Putzu	08/25/2011 08/25/2011
Teleconference	Note To Reviewer	Virginia Putzu	08/17/2011 08/17/2011
Confirmation of Teleconference	Note To Filer	Debra Stein	08/16/2011 08/16/2011
Request (B) submisison	Note To Filer	Augustine Park	04/08/2011 04/08/2011
Response	Note To Reviewer	Virginia Putzu	03/23/2011 03/23/2011

SERFF Tracking Number: QBEC-127015393

State: Rhode Island

Filing Company: QBE Insurance Corporation

State Tracking Number:

Company Tracking Number: 11-043-000-HO-RI

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners QBEIC

Project Name/Number: /

Disposition

Disposition Date: 10/13/2011

Effective Date (New):

Effective Date (Renewal):

Status: (02) Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
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 Company Tracking Number: 11-043-000-HO-RI
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners QBEIC
 Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Support- RI Rate Procedural Informational Summary Form		Yes
Supporting Document	Filing Memorandum		Yes
Supporting Document	Response to Letter of March 18, 2011 with Exhibits		Yes
Supporting Document	Response to Letter of April 7, 2011 with Exhibits		Yes
Supporting Document	Response to Teleconference of August 16, 2011 with Exhibit		Yes
Supporting Document	Response to Teleconference of September 15, 2011 with Exhibits		Yes
Form	Animal Liability Limitation		Yes
Form	Limitation for Mold and Other Fungi and Wet or Dry Rot Damage		Yes
Form	Homeowners Plus Package Endorsement		Yes
Form	Policy Declarations		Yes
Form	Water Back Up and Sump Pump Discharge or Overflow		Yes
Form	Platinum Homeowners Package Endorsement		Yes
Form	Gold Homeowners Package Endorsement		Yes
Form	Catastrophe Protection: Additional Limits of Limits of Liability		Yes
Form	Important Notice Regarding Your Policy		Yes
Form	Policy Jacket		Yes
Form (revised)	EXTRAORDINARY LIFE EVENT NOTICE		Yes
Form	EXTRAORDINARY LIFE EVENT NOTICE		Yes
Rate (revised)	QBEIC Homeowners Manual		Yes
Rate	QBEIC Homeowners Manual		Yes

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Reviewer

Created By:

Virginia Putzu on 10/07/2011 02:35 PM

Last Edited By:

Virginia Putzu

Submitted On:

10/07/2011 02:35 PM

Subject:

Response to Telephone call of October 6, 2011

Comments:

Dear Ms. Stein - Thank for the call regarding the Water Back up endorsement updates. There have been no updates to this list previously submitted for this endorsement. Should you need any additional information, please do not hesitate to contact me.

Sinceely, Virginia.

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Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Reviewer

Created By:

Virginia Putzu on 09/20/2011 02:03 PM

Last Edited By:

Virginia Putzu

Submitted On:

09/20/2011 02:03 PM

Subject:

Response to the teleconference of September 15, 2011

Comments:

Subject: Comments: The response to the teleconference of September 15, 2011 with the revised form and supporting exhibit has been attached to the supporting documentation schedule.

Please let us know if you need any additional information. Sincerely, Virginia

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
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Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Amendment Letter

Submitted Date: 09/20/2011

Comments:

The response to the teleconference of September 15, 2011 with the supporting exhibit has been attached to the supporting documentation schedule.

Please let us know if you need any additional information.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Response to Teleconference of September 15, 2011 with Exhibits

Comment:

Response 09152011.pdf

Exhibit A.pdf

Exhibit B.pdf

Exhibit C.pdf

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
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Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Filer

Created By:

Debra Stein on 09/15/2011 03:33 PM

Last Edited By:

Debra Stein

Submitted On:

09/15/2011 03:33 PM

Subject:

Confirmation of Teleconference

Comments:

This is to confirm that a teleconference took place with the company today to discuss the outstanding issues. The company will submit additional information via SERFF.

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
Filing Company: QBE Insurance Corporation State Tracking Number:
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Filer

Created By:

Debra Stein on 09/08/2011 07:43 AM

Last Edited By:

Debra Stein

Submitted On:

09/08/2011 07:43 AM

Subject:

Request for Teleconference

Comments:

Oliver Wyman is requesting a teleconference with the company to discuss the outstanding issues. Please call Debbie Stein at 212-948-2306 to arrange a convenient time. Thank you.

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
Filing Company: QBE Insurance Corporation State Tracking Number:
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Reviewer

Created By:

Virginia Putzu on 08/25/2011 12:37 PM

Last Edited By:

Virginia Putzu

Submitted On:

08/25/2011 12:37 PM

Subject:

Response to the teleconference of August 16, 2011

Comments:

The response to the teleconference of August 16, 2011 with the revised form and supporting exhibit has been attached to the supporting documentation schedule.

Please let us know if you need any additional information. Sincerely, Virginia

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
 Filing Company: QBE Insurance Corporation State Tracking Number:
 Company Tracking Number: 11-043-000-HO-RI
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners QBEIC
 Project Name/Number: /

Amendment Letter

Submitted Date: 08/25/2011

Comments:

The response to the teleconference of August 16, 2011 with the revised form and supporting exhibit has been attached to the supporting documentation schedule.

Please let us know if you need any additional information.

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
EXTRAORDINARY LIFE EVENT NOTICE	RI 02	0711	Disclosure/Notice	New				PH RI 02 0711 - Extraordinary Life Event Notice.rev.pdf

Supporting Document Schedule Item Changes:

User Added -Name: Response to Teleconference of August 16, 2011 with Exhibit

Comment:

Response 08162011.pdf

Exhibit A - Insurance Score Factors.pdf

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
Filing Company: QBE Insurance Corporation State Tracking Number:
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Reviewer

Created By:

Virginia Putzu on 08/17/2011 09:55 AM

Last Edited By:

Virginia Putzu

Submitted On:

08/17/2011 09:55 AM

Subject:

Teleconference

Comments:

Thank you for your time and guidance with this filing. We will submit a response shortly.

Thanks, Virginia

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
Filing Company: QBE Insurance Corporation State Tracking Number:
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Filer

Created By:

Debra Stein on 08/16/2011 11:27 AM

Last Edited By:

Debra Stein

Submitted On:

08/16/2011 11:27 AM

Subject:

Confirmation of Teleconference

Comments:

This is to confirm that a teleconference took place with the company today to discuss the outstanding issues. The company will submit additional information via SERFF.

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
 Filing Company: QBE Insurance Corporation State Tracking Number:
 Company Tracking Number: 11-043-000-HO-RI
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners QBEIC
 Project Name/Number: /

Amendment Letter

Submitted Date: 07/26/2011

Comments:

The response to the letter of April 7, 2011 has been attached to the supporting documentation schedule

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
EXTRAORDINARY LIFE EVENT NOTICE	PH RI 02 07 11 -	0711	Disclosure/Notice	New				PH RI 02 07 11 - Extraordinary Life Event Notice.pdf

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Number:	Attach Document:
QBEIC Homeowners Manual	pages 1 - 37	New		RI HO QI 20110501.Manual.rev.pdf

Supporting Document Schedule Item Changes:

User Added -Name: Response to Letter of April 7, 2011 with Exhibits

Comment:

Response - Letter of 04072011.pdf
 Exhibit A.pdf
 PH RI 02 07 11 - Extraordinary Life Event Notice.pdf

SERFF Tracking Number: QBEC-127015393

State: Rhode Island

Filing Company: QBE Insurance Corporation

State Tracking Number:

Company Tracking Number: 11-043-000-HO-RI

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners QBEIC

Project Name/Number: /

Note To Filer

Created By:

Augustine Park on 04/08/2011 10:38 AM

Last Edited By:

Augustine Park

Submitted On:

04/08/2011 10:38 AM

Subject:

Request (B) submisison

Comments:

Attached is the request (B) submission

OLIVER WYMAN

Oliver Wyman Actuarial Consulting, Inc.
1166 Avenue of the Americas, 29th Floor
New York, NY 10036-2708
212 345 3559 Fax 212 345 2382
ted.zubulake@oliverwyman.com
www.oliverwyman.com

April 7, 2011

VIA SERFF

Ms. Virginia Putzu
Filing Manager
QBE Insurance Corporation
88 Pine Street, 16th Floor
New York, NY 10005

Subject:

**QBE Insurance Corporation
Homeowners Program
Initial Rate, Rule, and Form Filing
SERFF No. QBEC-127015393**

Dear Ms. Putzu:

We have completed our review of your response dated March 23, 2011 to our questions dated March 18, 2011 and found, in certain instances, the responses to be incomplete. Attached is a list of additional information that would be helpful in evaluating this filing.

The response to these questions should be submitted via SERFF. If any questions should arise concerning the requested information, please call Ms. Candace Casala at the Department of Business Regulation (401-462-9520).

Sincerely,



Theodore J. Zubulake, FCAS, MAAA



Debra R. Stein, ACAS, MAAA

TJZ:DRS:ap

Copy: Candace A. Casala, CIC, Senior Insurance Rate Analyst, DBR

OLIVER WYMAN

Page 2

April 7, 2011

Ms. Virginia Putzu

QBE Insurance Corporation

Request for Additional Information
QBE Insurance Corporation
Homeowners Program
Initial Rate, Rule, and Form Filing
SERFF No. QBEC-127015393

1. QBE states, "The base rates were established in order to produce rates that would match, on average, the rates of the approved Empire Fire and Marine Insurance Company in each territory for the insured characteristics specified in Revised Exhibit 6." In this regard, confirm whether or not the sample risk included in Exhibit 6 comprises the majority of business expected to be written by QBE. If not, provide premium comparisons for a sample of risks that comprise the majority of business expected to be written by QBE in Rhode Island that demonstrate the proposed premiums are in line with those of the competitors.
2. Provide support for each particular builder credit proposed.
3. Provide support for the particular affinity credit proposed.
4. Provide support for the particular water back up charge proposed.
5. In response to our request for QBE to provide support for each proposed age of insured factor, age of home factor, and credit score factor that is higher than indicated by the GLM analysis, QBE states, "The selected factors were chosen to smooth out the GLM analysis factors." In this regard, provide additional information regarding the smoothing process, in particular given that certain of the proposed factors are as high as approximately 72% above the indicated factors.
6. Provide the relevant manual rate/rule pages for each competitor referenced in support of the proposed factor of 1.355 for Underwriting Credit Score Groups X, Y, and Z.
7. The explanatory memorandum lists the particular rates/rating factors that are not in line with the Empire factors. Certain of the rating rules, e.g., Rules 303, 402, 403, 407, 503, 504, 510, 512, 515, 517, 519, 521, Section II rating rules, Additional Rule A5, etc. are not listed in the Empire Rhode Island Manual and are not listed in the explanatory memorandum. In this regard, confirm whether or not the referenced rates/rating factors are ISO based. If ISO based, provide the loss cost multiplier (with appropriate support) that is applied to the ISO

OLIVER WYMAN

Page 3

April 7, 2011

Ms. Virginia Putzu

QBE Insurance Corporation

loss costs to derive the proposed rates. If not ISO based, provide support for each rate/rating factor proposed for the referenced rules.

8. Confirm QBE's intent regarding compliance with Rhode Island Regulation 116 (effective July 1, 2011).
9. Update the approved/pending list of states where the proposed countrywide factors have been filed, if there are any changes to the list previously submitted.

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Product Name: Homeowners QBEIC
Project Name/Number: /

Note To Reviewer

Created By:

Virginia Putzu on 03/23/2011 11:26 AM

Last Edited By:

Virginia Putzu

Submitted On:

03/23/2011 11:26 AM

Subject:

Response

Comments:

The response letter has been attached via an amendment to the filing. Please let us know if you need any additional information.

Sincerely, Virginia

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
Filing Company: QBE Insurance Corporation State Tracking Number:
Company Tracking Number: 11-043-000-HO-RI
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners QBEIC
Project Name/Number: /

Amendment Letter

Submitted Date: 03/23/2011

Comments:

The response to the letter of March 18, 2011 has been attached to the supporting documentation schedule

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Response to Letter of March 18, 2011 with Exhibits

Comment:

Response - Letter of 03182011.pdf

RI-HO-2011-Q01R Filing Memorandum.rev.pdf

RI Std_Pref Man 08 01 01.pdf

Exhibit 6 rev.pdf

SERFF Tracking Number: QBEC-127015393

State: Rhode Island

Filing Company: QBE Insurance Corporation

State Tracking Number:

Company Tracking Number: 11-043-000-HO-RI

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners QBEIC

Project Name/Number: /

Form Schedule

Schedule Item Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
	Animal Liability Limitation	HO9398	1001	Endorsement/Amendment/Conditions	New	0.000	HO9398 1001-Animal Limitation_Named Breeds 25,000 limit_.pdf
	Limitation for Mold and Other Fungi and Wet or Dry Rot Damage	HO9399	1001	Endorsement/Amendment/Conditions	New	0.000	HO9399 1001-Mold Limitation_2000 edition_.pdf
	Homeowners Plus Package Endorsement	HO9413	1104	Endorsement/Amendment/Conditions	New	0.000	HO9413 1104-Homeowners Plus Package Endorsement_2000 Edition_.pdf
	Policy Declarations	HO-DEC	(698)	Declaration	New	0.000	HO-DEC (698) - Policy Declaration update.pdf
	Water Back Up and Sump Pump Discharge or Overflow	HO 95 50	01 09	Endorsement/Amendment/Conditions	New	0.000	HO9550 0109 Water Back Up And Sump Discharge Or Overflow.pdf

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
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 Product Name: Homeowners QBEIC
 Project Name/Number: /

Platinum Homeowners Package Endorsement	HO9411 0907	Endorsement/Amendment/Conditions	New	0.000	HO9411 0907- Package Endorsement Platinum_2000 Edition_.pdf
Gold Homeowners Package Endorsement	HO9412 0708	Endorsement/Amendment/Conditions	New	0.000	HO9412 0708-Gold Homeowners Package Endorsement.pdf
Catastrophe Protection: Additional Limits of Liability	HO 95 23 11 05	Endorsement/Amendment/Conditions	New	0.000	HO9523 1105- Catastrophe Protection - Additional Limits of Liability.pdf
Important Notice Regarding Your Policy	PH RI 01 0511	Disclosure/ Notice	New		PH RI 01 0511 - Important Notice Regarding Your Policy.pdf
Policy Jacket	HO- POLJKT- QI 1210	Other	New	0.000	HO- POLJKT-QI 1210 - Policy Jacket (QBE).pdf
EXTRAORDINARY LIFE EVENT NOTICE	PH RI 02 0711	Disclosure/ Notice	New		PH RI 02 07 11 - Extraordinary Life Event Notice.rev.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ANIMAL LIABILITY LIMITATION

Section II - Liability Coverages, **COVERAGE E - Personal Liability** is deleted and replaced by:

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable, except that \$25,000 is the most we will pay for damages in connection with claims arising out of a dog you own or have in your custody, care or control, which:
 - a. Is a pure or partial breed of Pit Bull, Rottweiler, Akita, German Shepherd, Chow, or Doberman Pinscher; or
 - b. Is any breed of dog trained or used as an attack or guard dog; or
 - c. Is any breed of dog that has a prior history of biting.
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION FOR MOLD AND OTHER FUNGI, AND WET OR DRY ROT, DAMAGE

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

Under Items 2., c., (5) and 2., c., (5)(a)(b), the following provisions are deleted in their entirety:

- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the “residence premises”; or
 - (b) a storm drain, or water, steam or sewer pipes, off the “residence premises”.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

and are replaced by the following:

- (5) Mold or other fungi, or wet or dry rot. This policy specifically excludes coverage for losses caused by or resulting from mold or other fungi, or wet or dry rot, which results directly or indirectly from an excluded peril. This policy also specifically excludes coverage for losses caused by or resulting from wet or dry rot which results directly or indirectly from a covered peril. This policy specifically limits coverage for losses caused by or resulting from mold or other fungi which results directly or indirectly from a covered peril, in that coverage for such losses is limited to the greater of either a) up to ten percent (10%) of the limit of liability that applies to Coverage A, or b) ten thousand (\$10,000) dollars; or

Under Item 2., c., (6)(c), the following provision is deleted in its entirety:

- (6)(c) Smog, rust or other corrosion, or dry rot;

and is replaced by the following:

- (6)(c) Smog, rust or other corrosion;

Under Item 2., c., the following provision is deleted in its entirety:

“Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under c.(5) and (6) above.”

and is replaced by the following:

“Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under c.(6) above.”

All other provisions of this policy apply.

HOMEOWNERS PLUS PACKAGE ENDORSEMENT

COVERAGE A – DWELLING

(APPLIES ONLY WHEN LOSS TO BUILDING INSURED UNDER COVERAGE A EXCEEDS THE COVERAGE A LIMIT OF LIABILITY SHOWN IN THE DECLARATIONS)

SCHEDULE*

Additional Amount Of Insurance:

15 %

The Additional Amount Of Insurance is determined by multiplying the Coverage **A** limit of liability shown in the Declarations by the percentage amount shown above.

* Entry may be left blank if shown elsewhere in this policy for this coverage.

To the extent that coverage is provided, we agree to provide an additional amount of insurance in accordance with the following provisions:

A. If you have:

1. Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
 - a. The property evaluations we make; and
 - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;

The provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

B. If there is a loss to the building insured under Coverage **A** that exceeds the Coverage **A** limit of liability shown in the Declarations, for the purpose of settling that loss only:

1. We will provide an additional amount of insurance, up to the amount described in the Schedule above; and
2. Section **I – Condition C. Loss Settlement Paragraph 2.** is deleted and replaced by Paragraphs **2., 3., and 4.** as follows:
 2. The building insured under Coverage **A** at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
 - a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
 - b. The necessary amount actually spent to repair or replace the damaged building; or
 - c. The limit of liability under this policy that applies to the building, plus any additional amount provided by this endorsement.

If the building is rebuilt at a new premises, the cost described in **a.** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to the building on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

COVERAGE C - PERSONAL PROPERTY

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage C; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances;
whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) 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:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (3) Smoking implements; or
 - (4) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in **A.** above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this policy; or
 - e. For loss to any item described in **A.2.a. - f.** above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in **A.** above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

COVERAGE C - PERSONAL PROPERTY LIMIT

The Coverage C limit of liability is increased to **60%** of the Coverage A limit of liability as shown on the declaration page.

All other provisions of this policy apply.

COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY

Property	Total Limit of Liability*
e. Jewelry, watches, furs, precious and semi-precious stones for loss by theft; but not exceeding \$1,000 for any one article.	\$ 2,000
g. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware for loss by theft.	\$ 3,000

Praetorian Insurance Company
A Stock Company

Payment Center:
P.O. Box 673397
Marietta, GA 30006

POLICY NUMBER

EFFECTIVE: _____ **DECLARATIONS**

EXPIRATION:

NAMED INSURED AND PROPERTY ADDRESS

MAIL TO:

YOUR AGENT IS: _____ /

INSURANCE IS TO BE PROVIDED ONLY WITH RESPECT TO THE LOCATION(S) AND/OR COVERAGE(S) FOR WHICH A LIMIT OF LIABILITY IS SPECIFIED, SUBJECT TO ALL OF THE CONDITIONS OF THIS POLICY:

SECTION I COVERAGES	LIMIT	PREMIUM	SECTION II COVERAGES	LIMIT	PREMIUM
A - Dwelling			E - Personal Liability		
B - Separate Structures			F - Medical Payments :		
C - Personal Property			Each Person		
D - Loss of Use					
(Section I Coverages A,B&C are subject to a			Deductible)		

OTHER COVERAGES AND ENDORSEMENTS

Number	Edition	Title	LIMIT	PREMIUM
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TOTAL POLICY PREMIUM

FIRST MORTGAGEE

SECOND MORTGAGEE

ADDITIONAL MESSAGE(S) :

COUNTERSIGNED: _____

DATE PRINTED:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW

A. Coverage

We insure, up to \$7,500, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or water-borne material, which:

1. Backs up through sewers or drains; or
2. Overflows or is discharged from a:
 - a. Sump, sump pump; or
 - b. Related equipment;

even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not increase the limits of liability for Coverages **A**, **B**, **C** or **D** stated in the Declarations.

B. Section I – Perils Insured Against

With respect to the coverage described in **A**. above, Paragraphs:

A.2.c.(6)(b) in Form **HO 00 03**;

A.2.e.(2) in Form **HO 00 05**;

2.j.(2) in Endorsement **HO 05 24**;

3.j.(2) in Endorsement **HO 17 31**; and

2.c.(6)(b) in Endorsement **HO 17 32**;

are replaced by the following:

Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself.

C. Special Deductible

The policy deductible will apply to this endorsement. The limit provided is in excess of the policy deductible.

D. Exclusion

The **Water Damage** Exclusion is replaced by the following:

Water

This means:

1. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind; including storm surge;
2. Water, which:
 - (a.) Backs up through sewers or drains; or
 - (b.) Overflows or is otherwise discharged from a sump, sump pump or related equipment; as a direct or indirect result of flood;
3. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
4. Waterborne material carried or otherwise moved by any of the water referred to in **D.1.** through **D.3.** of this Exclusion.

This Exclusion applies regardless of whether any of the above, in **D.1.** through **D.4.**, is caused by an act of nature or is otherwise caused.

This Exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above, in **D.1.** through **D.4.**, is covered.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PLATINUM HOMEOWNERS PACKAGE ENDORSEMENT

COVERAGE A – DWELLING

(APPLIES ONLY WHEN LOSS TO BUILDING INSURED UNDER COVERAGE A EXCEEDS THE COVERAGE A LIMIT OF LIABILITY SHOWN IN THE DECLARATIONS)

SCHEDULE*

Additional Amount Of Insurance:

50 %

The Additional Amount Of Insurance is determined by multiplying the Coverage **A** limit of liability shown in the Declarations by the percentage amount shown above.

* Entry may be left blank if shown elsewhere in this policy for this coverage.

To the extent that coverage is provided, we agree to provide an additional amount of insurance in accordance with the following provisions:

A. If you have:

1. Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
 - a. The property evaluations we make; and
 - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;

The provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

B. If there is a loss to the building insured under Coverage **A** that exceeds the Coverage **A** limit of liability shown in the Declarations, for the purpose of settling that loss only:

1. We will provide an additional amount of insurance, up to the amount described in the Schedule above; and
2. Section I – Condition **C. Loss Settlement Paragraph 2.** is deleted and replaced by Paragraphs **2., 3., and 4.** as follows:
 2. The building insured under Coverage **A** at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
 - a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
 - b. The necessary amount actually spent to repair or replace the damaged building; or
 - c. The limit of liability under this policy that applies to the building, plus any additional amount provided by this endorsement.

If the building is rebuilt at a new premises, the cost described in **a.** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to the building on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

COVERAGE C - PERSONAL PROPERTY

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage **C**; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances;
whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) 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:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (3) Smoking implements; or
 - (4) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in **A.** above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this policy; or
 - e. For loss to any item described in **A.2.a. - f.** above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in **A.** above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

COVERAGE C - PERSONAL PROPERTY LIMIT

The Coverage C limit of liability is increased to **70%** of the Coverage A limit of liability as shown on the declaration page.

All other provisions of this policy apply.

COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY

Property	Total Limit of Liability*
e. Jewelry, watches, furs, precious and semi-precious stones for loss by theft; but not exceeding \$1,000 for any one article.	\$ 2,000
g. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware for loss by theft.	\$ 3,000

COVERAGE D - LOSS OF USE

COVERAGE D - LOSS OF USE LIMIT

The Coverage D limit of liability is increased to **40%** of the Coverage A limit of liability as shown on the declaration page.

MORTGAGE PROTECTION ENDORSEMENT

INSURING AGREEMENT

When your home is damaged and uninhabitable as the direct result of a covered peril you may be eligible for added coverage for up to twelve months per the conditions listed below:

- (1) The home has been uninhabitable for the three prior months; and
- (2) The home is expected to remain uninhabitable for at least 30 more days; and
- (3) The home was your principal residence immediately prior to the loss; and
- (4) The home was damaged by a peril insured against; and

- (5) The uninhabitable condition is the direct result of a peril insured against; and
- (6) Construction or repairs have been started; and
- (7) The insured has not relocated or moved to another permanent residence; and
- (8) Construction or repairs has not yet been completed;

If you meet ALL the conditions listed above and you qualify for payment, you must continue to meet ALL conditions above prior to any future monthly payments; no payment is made for any month that ALL the conditions are not met.

The payment (not more than \$1,500 per month; \$18,000 maximum benefit) to be made is equal to the principal and interest of the monthly payment due from the insured for a promissory note on the covered dwelling, executed by the insured and secured by a first deed of trust or mortgage, not including:

- A. Taxes of any type;
- B. Insurance premiums;
- C. Delinquency on the insured's promissory note;
- D. Trustee funds; or
- E. Late penalties.

All other provisions of this policy apply.

REFRIGERATED PROPERTY COVERAGE

A. Definitions

The following definition is added:

"Loss of power" means the complete or partial interruption of electric power due to conditions beyond an "insured's" control.

B. Coverage

1. We insure, for up to \$500, covered property stored in freezers or refrigerators on the "residence premises" for direct loss caused by:
 - a. "Loss of power" to the refrigeration unit. "Loss of power" must be caused by damage to:
 - (1) Generating equipment; or
 - (2) Transmitting equipment; or
 - b. Mechanical failure of the unit which stores the property.
2. Coverage will apply only if you have maintained the refrigeration unit in proper working condition immediately prior to the loss.
3. This endorsement does not increase the limit of liability for Coverage C.

C. Special Deductible

The following will replace any other deductible provision in this policy with respect to loss covered under this endorsement:

We will pay only that part of the total of all loss payable that exceeds \$100. No other deductible applies to this coverage.

D. Exception To Power Failure Exclusion

The Power Failure exclusion does not apply to this coverage.

All other provisions of this policy apply.

LOCK REPLACEMENT ENDORSEMENT

We will pay the reasonable expenses you incur to re-key locks on exterior doors of the dwelling located on the residence premises, when the keys to those locks are a part of a covered theft loss.

No deductible applies to Lock Replacement Coverage.

GOLD HOMEOWNERS PACKAGE ENDORSEMENT

COVERAGE A – DWELLING

(APPLIES ONLY WHEN LOSS TO BUILDING INSURED UNDER COVERAGE A EXCEEDS THE COVERAGE A LIMIT OF LIABILITY SHOWN IN THE DECLARATIONS)

SCHEDULE*

Additional Amount Of Insurance:

30 %

The Additional Amount Of Insurance is determined by multiplying the Coverage A limit of liability shown in the Declarations by the percentage amount shown above.

* Entry may be left blank if shown elsewhere in this policy for this coverage.

To the extent that coverage is provided, we agree to provide an additional amount of insurance in accordance with the following provisions:

A. If you have:

1. Allowed us to adjust the Coverage A limit of liability and the premium in accordance with:
 - a. The property evaluations we make; and
 - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage A which increase the replacement cost of the building by 5% or more;

The provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

B. If there is a loss to the building insured under Coverage A that exceeds the Coverage A limit of liability shown in the Declarations, for the purpose of settling that loss only:

1. We will provide an additional amount of insurance, up to the amount described in the Schedule above; and
2. Section I – Condition C. Loss Settlement Paragraph 2. is deleted and replaced by Paragraphs 2., 3., and 4. as follows:
 2. The building insured under Coverage A at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
 - a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
 - b. The necessary amount actually spent to repair or replace the damaged building; or
 - c. The limit of liability under this policy that applies to the building, plus any additional amount provided by this endorsement.

If the building is rebuilt at a new premises, the cost described in a. above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to the building on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

COVERAGE C - PERSONAL PROPERTY

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage C; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances;
whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) 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:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (3) Smoking implements; or
 - (4) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in **A.** above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this policy; or
 - e. For loss to any item described in **A.2.a. - f.** above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in **A.** above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

COVERAGE C - PERSONAL PROPERTY LIMIT

The Coverage C limit of liability is increased to **65%** of the Coverage A limit of liability as shown on the declaration page.

All other provisions of this policy apply.

COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY

Property	Total Limit of Liability*
e. Jewelry, watches, furs, precious and semi-precious stones for loss by theft; but not exceeding \$1,000 for any one article.	\$ 2,000
g. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware for loss by theft.	\$ 3,000

COVERAGE D - LOSS OF USE

COVERAGE D - LOSS OF USE LIMIT

The Coverage D limit of liability is increased to **35%** of the Coverage A limit of liability as shown on the declaration page.

MORTGAGE PROTECTION ENDORSEMENT

INSURING AGREEMENT

When your home is damaged and uninhabitable as the direct result of a covered peril you may be eligible for added coverage for up to twelve months per the conditions listed below:

- (1) The home has been uninhabitable for the three prior months; and

- (2) The home is expected to remain uninhabitable for at least 30 more days; and
- (3) The home was your principal residence immediately prior to the loss; and
- (4) The home was damaged by a peril insured against; and
- (5) The uninhabitable condition is the direct result of a peril insured against; and
- (6) Construction or repairs have been started; and
- (7) The insured has not relocated or moved to another permanent residence; and
- (8) Construction or repairs has not yet been completed;

If you meet ALL the conditions listed above and you qualify for payment, you must continue to meet ALL conditions above prior to any future monthly payments; no payment is made for any month that ALL the conditions are not met.

The payment (not more than \$1,500 per month; \$18,000 maximum benefit) to be made is equal to the principal and interest of the monthly payment due from the insured for a promissory note on the covered dwelling, executed by the insured and secured by a first deed of trust or mortgage, not including:

- A. Taxes of any type;
- B. Insurance premiums;
- C. Delinquency on the insured's promissory note;
- D. Trustee funds; or
- E. Late penalties.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CATASTROPHE PROTECTION: ADDITIONAL LIMITS OF LIABILITY

We will provide an additional limit of coverage in the amount of \$0nn,nnn ("Additional Limit of Coverage") for covered losses in accordance with the following provisions:

1. There is a covered loss to the **residence premises** insured under this policy ("Covered Loss"); and
2. The dollar value of the Covered Loss to the **residence premises** exceeds the Coverage A limit of liability enumerated in the Declarations, (which is \$xxx,xxx); and
3. The Covered Loss is the direct result of an occurrence or series of occurrences that have been assigned a catastrophe serial number by the Property Claims Service[®] unit of Insurance Services Office, Inc.
4. At your option, you may use the Additional Limit of Coverage to further extend the limit of liability enumerated in the Declarations for such Covered Loss under Coverage A, B, and/or D individually or collectively.
5. However, whether you apply this Additional Limit of Coverage to further extend the limit of liability enumerated in the Declarations for such Covered Loss under Coverage A, B, and/or D individually or collectively, we will pay no more under the Additional Limit of Coverage than a dollar amount equal to \$0nn,nnn.

Loss Settlement provisions and all other provisions and exclusions of this policy apply.

This is additional insurance.

IMPORTANT NOTICE REGARDING YOUR POLICY

Policy Number:

Insured Name:

Dear Policyholder,

QBE Insurance Corporation is pleased to have an opportunity to underwrite your Homeowner coverage. We would like to inform you of important information about the price of this coverage, as stated on the Declarations Page of your policy.

In an effort to provide the best price for your insurance, we use a number of rating factors that are reflective of your unique situation. Your policy premium was determined, in part, using a credit-based insurance score that was derived from a consumer report obtained from TransUnion.

Due in part to your insurance score, your premium does not reflect our lowest possible price. The primary factors in the consumer report which contributed to your insurance score are:

- 1.
- 2.
- 3.
- 4.

If you believe that there may be an error on your credit report, you have the right to receive a copy of the report, free of charge, by contacting TransUnion within 60 days from the date of this notice. You also have a right to dispute incomplete or inaccurate information with them. The address and contact information for TransUnion is:

TransUnion National Disclosure Center
P.O. Box 1000
Chester, PA 19022
Telephone: 1-800-645-1938
Internet: www.transunion.com

Note that, while TransUnion provided the credit information, they did not make the premium determination and they can not answer questions regarding your premium or policy. If you would like to learn more about the relationship of your insurance score and your premium, contact our Customer Service Center at the following toll-free number:

Thank you for your business.

Insured Name
Mailing Address
City, State Zip

Homeowners Policy

QBE Insurance Corporation
Member of the QBE Insurance Group
A Stock Company

This policy is signed at New York, New York on behalf of QBE Insurance Corporation by our President and Secretary. It is countersigned on the declarations page by our authorized representative in those jurisdictions where countersignature is required.



Robert D. Byler
President



Peter T. Maloney
Secretary

QBE Insurance Corporation

Member of the QBE Insurance Group
A Stock Company

To report a claim, please contact our Claim Department at 1.800.822.2997 or, you may report a new claim using our website www.sterlingnationalcorp.com

For reference your policy number is
QHO123456-1



QBE Insurance Corporation
Member of the QBE Insurance Group
Wall Street Plaza
88 Pine Street
New York, NY 10005

For all inquiries, coverage information and complaint assistance, please contact your agent or call:

Agency
Address
Phone

EXTRAORDINARY LIFE EVENT NOTICE

An insurer authorized to do business in certain states that uses credit information to underwrite or rate risks for a policy of personal insurance shall, on written request from a consumer, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by events considered extraordinary life circumstances such as:

1. Catastrophic event, as declared by the federal or state government.
2. Serious illness or injury, or serious illness or injury to an immediate family member.
3. Death of a spouse, child, or parent.
4. Divorce or involuntary interruption of legally-owed alimony or support payments.
5. Identity theft.
6. Temporary loss of employment for a period of three months or more, if such loss results from involuntary termination of employment.
7. Military deployment overseas.
8. Other events, as determined by the insurer.

If a consumer submits a request for an exception as set forth above, an insurer shall, in its sole discretion, but is not required to, do any of the following:

1. Require the consumer to provide reasonable written and independently verifiable documentation of the event.
2. Require the consumer to demonstrate that the event had direct and meaningful impact on the consumer's credit information.
3. Require such request to be made no more than sixty days from the date of the application for insurance or the policy renewal.
4. Grant an exception despite the fact that the consumer did not provide the initial request for an exception in writing.
5. Grant an exception where the consumer asks for consideration of repeated events or the insurer has considered this event previously.

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
 Filing Company: QBE Insurance Corporation State Tracking Number:
 Company Tracking Number: 11-043-000-HO-RI
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners QBEIC
 Project Name/Number: /

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	QBEIC Homeowners Manual	pages 1 - 37	New	RI HO QI 20110501.Manual.rev. pdf

**QBE
INSURANCE CORPORATION**

**RHODE ISLAND
HOMEOWNERS PROGRAM**

STATE MANUAL

100. INTRODUCTION

A. Manual Structure

This manual contains:

1. A description of the QBE Insurance Corporation (herein referred to as Company) Homeowners Program, including Program minimums and maximums for Section I – Property Damage, and Section II – Liability coverages,
2. Eligibility Guidelines, and
3. Rates and Rules

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The standard coverages required under the Homeowners policy are as follows:

Section I - Property Damage

Coverage	Minimum	Maximum
A – Dwelling	\$40,000	\$600,000 (up to \$1,000,000 for New Business and \$1,500,000 for Renewals with advance written approval from underwriting)

Coverage	Standard Amount
B – Other Structures	10% of Coverage A
C – Personal Property	50% of Coverage A
D – Additional Living Expense	30% of Coverage A

Section II – Liability

Coverage	Standard Amount
E – Personal Liability	\$100,000 per occurrence
F – Medical Payments	\$1,000 per person

Insurance to Replacement Cost	100%
Liability Options	\$100,000, \$300,000, \$500,000
Medical Payments Options	\$1,000, \$2,000, \$5,000
All-Perils Deductible Options	\$500, \$1,000, \$2,500
All-Perils High Deductible Options	\$5,000, \$7,500, \$10,000
Hurricane Deductible Options	1%, 2%, 5%

When a High Deductible is chosen, any Hurricane Deductible requirement is waived. In addition, there are no Hurricane Deductible options available when a High Deductible is chosen.

B. Increased limits availability

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure. The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

102. DESCRIPTION OF COVERAGES

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

A. Section I – Property – Perils Insured Against

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

B. Section II – Liability – All Forms**1. Coverage E – 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. Coverage F – 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. General Eligibility Guidelines**

Mortgagee	Conventional Lender ("C" quality paper) Homes with more than 2 mortgages not eligible (Excluding Home Equity Line of Credit)
Insurance to Value Requirements (HO 00 03)	100% of estimated replacement cost. Newly constructed homes may use replacement cost estimate from Builder. Other properties must use M&S/B estimated replacement cost.
Protection Classes	PPC codes 1 through 10 Ineligible homes include: Dwellings located on islands with no fire protection, in isolated areas not accessible by road year round, or in declared brush or forest fire areas
Year Built	1920 or after
Claims History (New Business) (Property experience period - past 3 years) (Liability experience period – past 5 years)	Not more than 2 chargeable claims. Losses assigned a CAT number will not be included (limited to 1 per experience period).
Number of Families (HO 00 03)	1 or 2 unit dwellings. When entering a 2 unit dwelling, if one unit is owner occupied, enter the occupancy of the policy as "owner"; if both units are rented, enter the occupancy of the policy as "tenant".

B. General Ineligible Property Characteristics

1. Historic homes
2. Properties in foreclosure
3. Properties with brush exposure:
 - a. With noncombustible roof, must be at least 300 feet from mild / heavy brush
 - b. With combustible roof, must be at least 2,500 feet from mild/ heavy brush

C. Occupancy / Ownership Ineligible Property Characteristics

1. Vacant or unoccupied premises
2. Dwellings occupied as rooming houses, fraternities, sororities, student housing or other similar occupancies
3. More than two unit dwellings (HO 00 03)
4. Dwellings title in the name of a corporation, lending institution or Mortgage Company, or properties which have been foreclosed by a loss payee, even if the title does not yet indicate the change in ownership

STATE MANUAL

D. Housekeeping / Maintenance Ineligible Property Characteristics

1. Dwellings with inadequate, obsolete or unrepaired roofs, heating, electrical, or plumbing systems
2. Properties with an outbuilding that has a wood burning or solid fuel auxiliary heating device
3. Dwellings condemned due to condition, urban renewal, highway construction, or other similar reasons
4. Dwellings with neighboring structures that are vacant or abandoned or have un-repaired damage whose condition increases the likelihood of loss to the insured property
5. Dwelling that is not maintained in at least good physical condition or housekeeping is not at least good
6. Properties with outbuilding(s) in poor physical condition or not properly maintained, unless the Specific Structure Exclusion form is attached to the policy and presents no additional liability hazard

Physical Condition	Number of Issues
Excellent	0 issues
Good	1 or 2 Minor issues and 0 Major issues
Poor	3 or more Minor issues or 1 or more Major issues

Maintenance / Housekeeping Issues Checklist

Minor Issues

- | | | |
|--|------------------------------|-----------------------------|
| Discolored or stained exterior | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor surface cracks in sidewalk or driveway | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Overflowing garbage cans | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Overgrown grass, unkempt shrubbery | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor debris or litter | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Fading exterior paint (20% allowable of dwelling) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose or missing wood slats/boards fencing missing 3 or less | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Unstable and non-secure fence gate | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Broken or damaged exterior lights | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose or missing siding shingles (one) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Faulty Railing | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose stair case or rails | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Major Issues

- | | | |
|---|------------------------------|-----------------------------|
| Home has existing unrepaired damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Unfinished interior or exterior | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Wood rot | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Water damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Peeling paint | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Broken windows | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Boarded windows | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Missing siding | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Exterior damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Inoperable vehicle on property | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Materials stacked against the structure | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Brush, grass, trees touching and rubbing against dwelling | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Debris close to the house that may increase the fire hazard | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Raised cracks in the driveway and/or walkway (trip/fall hazard) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Uneven or broken steps (trip/fall hazard) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

E. Roof Condition Ineligible Property Characteristics

1. Dwelling with a roof that is not at least in good condition
2. Dwelling with roof with an expected remaining life of less than 5 years
3. Dwellings with roofs such as composition or asphalt that have been installed over wood shake or wind shingles

Physical Condition	Number of Issues
Excellent	0 issues
Good	1 or 2 Minor issues and 0 Major issues
Poor	3 or more Minor issues or 1 or more Major issues

Roof Condition Issues Checklist

Minor Issues

- | | | |
|--|------------------------------|-----------------------------|
| Two layers of shingles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor granular loss | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3 or less broken/missing shingles/tiles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Composite roof over 15 years old, but less than 20 years old | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Patches | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose flashing | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Nail heads rising | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2 or fewer loose tiles/shingles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor mold/mildew stains | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor moss build-up | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Major Issues

- | | | |
|---|------------------------------|-----------------------------|
| 3 or more layers of shingles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Significant granular loss | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Composite roof older than 20 years | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Un-repaired damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Rusting | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive number of missing or cracked slates/tiles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive curling (wood) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive cupping/curling (composition) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Buckling and bubbling (rolled roofs) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3 or more broken/loose/slipped tiles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Water damaged or rotten roof boards | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Clogged/un-secured guttering | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Missing down spouts | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive moss build-up | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Special roofing materials may, with underwriting manager approval and inspection, be consider acceptable even though the roof is over 15 years old, i.e. 50 year architectural shingles.

F. Plumbing, Heating, and Electrical Systems Condition Ineligible Property Characteristics

1. Homemade or kit auxiliary heating device or kerosene space heater
2. Manufactured heating device or fireplace insert not installed to local building code or manufacturer's specifications
3. Gas space heaters attached by wall mounting or gas lines as the primary heating system UNLESS the heater is:
 - a. UL approved,
 - b. Meets local building codes,
 - c. Approved by the local building inspector or is commercially installed, and
 - d. Thermostatically controlled
4. Fireplace, woodstove, or portable heating device used as the only or primary source of heat. A portable heating device is defined as one that is not permanently secured to a wall or floor and connected to a gas line.
5. Heat source that uses a liquid fuel tank located below ground.
6. Heating systems that is not thermostatically controlled (space heaters and kerosene heaters may not be used as primary heating system)
7. Electrical system without circuit breakers
8. Dwellings with electrical service of 60 AMPs or less electrical service.

G. Ineligible Property Construction Characteristics

1. Mobilehomes, earth sheltered homes or log homes
2. Unconventional design or construction
3. Cantilever construction or flat pad within 25 feet of hillside
4. Dwellings attached to, or occupied as, a commercial risk or commercial building converted into a dwelling
5. Hillside exposure (20 slope or steeper)
6. Earthquake or earth movement/slide exposure

H. Dwellings Under Construction

1. Any dwelling that are under construction or undergoing major renovation (e.g. new addition or additional story) are ineligible if:
2. Will not be fully enclosed within 60 days,
3. Will not be occupied within 60 days,
4. Not being constructed by a licensed contractor, and
5. Not insured for replacement cost value, or the replacement cost value does not reflect the new addition

I. Ineligible Liability Characteristics

1. Dwellings with more than incidental business conducted on the premises
2. Swimming pools not completely enclosed by a least a 4 foot high fence with a self-locking gate
3. Dwellings with underground liquid fuel tanks
4. Properties with farm exposures where any or all of the following apply:
 - a. Applicant earns over \$5,000 per year from farming
 - b. Applicant farms over 10 acres
 - c. Applicant employs full or part-time workers
 - d. Applicant rents/leases his land to others
 - e. Applicant owns livestock
 - f. Applicant keeps livestock belonging to others on the premises
5. Trampolines that are not enclosed with a safety net or fenced in a yard

J. Ineligible Animal Exposures

1. More than two dogs
2. The following dog breeds are unacceptable (pure breed or mixed breed):
 - a. Pit Bulls
 - b. Rottweilers
 - c. Dobermans
 - d. German Shepherd
 - e. Wolf hybrids
 - f. Chows
3. The following animals must receive underwriter approval before coverage can be bound:
 - a. Working class breeds of dog (cattle dogs, herding dogs, etc.)
 - b. Dogs with aggressive tendencies (like Akita, English Bulldog, Great Dane, Siberian Husky, Boxer, etc.)
 - c. Dogs over 60 pounds
4. Farm animals and Exotic pets.

No coverage is provided for physical damage coverage of any kind for any animals of any kind.

K. Definitions**Exotic pets:**

Includes snakes, big cats, wolves, wolf cross breeds, ostriches, monkeys and other non-domestic animals, and some rare or unusual types of fish and birds.

Chargeable Claim:

Any loss where a payment has been made or a reserve has been established in anticipation of making a payment. Chargeable claims exclude where weather was the primary cause of loss.

Construction Types

Frame – Exterior walls of wood or other combustible construction, including wood iron-clad, stucco on wood, hardi-plank or plaster on combustible supports, aluminum or vinyl over a frame.

Masonry Veneer – Exterior walls of combustible construction veneered with brick or stone on at least three full sides.

Masonry/Brick – Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, tile, stone or similar materials. Floors of wood or other combustible construction.

Mobile Home - A type of manufactured home. They are subject to HUD regulations and will have a HUD stamp on the body of the home. They can be easily identified by their construction having a metal framework chassis, hurricane straps, utility meters are usually attached to pole not the home, and some type of skirting surrounds the base (brick, aluminum, wood, etc.) Like a personal automobile they are titled and have a lien instead of a mortgage. Mobile homes, including those on a permanent foundation, are not eligible.

Modular Home - A type of manufactured home. These are like normal stick-built homes only they are comprised of sections that are built elsewhere and later connected together on-site to complete the home. They can look like a double-wide style mobile home. Modular homes will have a mortgage and follow the general rules of a normal stick-built home.

Occupancy Types

Seasonal - A seasonal home is a second home typically used by the policyholder as a vacation home on a yearly basis. They are customarily occupied for a certain period of time each year and then vacant for the remainder of the year (i.e., - Seasonal use.) A common characteristic of these properties is that the home is not located in close proximity to insured's primary residence

Secondary - A secondary home is one that the policyholder will visit frequently throughout the year. An example would be a cabin in the mountains or a lake house that the policyholder goes to on the weekends throughout the year. Although this home is vacant in between these visits, the occupancy of the secondary home is throughout the year, and not just for a specific time period (or season) of each year.

Row House / Town House / Duplex, etc

A dwelling with more than one residence sharing a common wall

Dwelling Under Construction / Major Renovation

Home being built for first time, or dwelling with a new addition or floor being added.

Dwelling Under Minor Renovation

Dwelling where residing, re-roofing, exterior painting or interior appearance improvements such as new carpet, wall paper, or painting, are occurring.

Replacement Cost

Replacement Cost as defined by the policy is "...the cost to repair or replace, after application of any deductible and without deduction for depreciation with material of like kind and quality and for like use..."

The replacement cost of a dwelling to be insured can be determined

- Through the use of an acceptable square foot residential valuation system, such as those provided by Marshall/Swift & Boeckh, and must include the cost of the contractor's overhead and profit.
- Through submission of a detailed analysis by a licensed builder/contractor that has been obtained within the past 12 months.

Replacement cost is not the mortgage amount. Policies written in this program must carry a dwelling limit (Coverage A) equal to at least 100% of the estimated total replacement cost of the house. All requests for coverage above 150% of the estimate replacement value will be submitted and approved by underwriting prior to binding or issuance of the coverage.

L. Insurance Scored Program Information

1. The insurance score will be ordered upon policy inception and the policy rated accordingly.
2. If the insured experiences an extraordinary life circumstance and can provide verification of such circumstance, the company will grant an exception and re-rate the policy with a neutral insurance score.
Extraordinary life circumstances include, but are not limited to the following:
 - Catastrophic event, as declared by the federal or state government
 - Serious illness or injury, or serious illness or injury to an immediate family member
 - Death of a spouse, child, or parent
 - Divorce or involuntary interruption of legally-owed alimony or support payments
 - Identity theft
 - Temporary loss of employment for a period of three months or more, if such loss results from involuntary termination of employment
 - Military deployment overseas
3. If it is determined due to a dispute resolution process that the credit information of a policyholder was incorrect or incomplete and if the company receives notice of such determination from either the consumer reporting agency or the policyholder, the company will reunderwrite and re-rate the policy within 30 days of receiving the notice.
4. The insured has the right to request the company to reorder the insurance score not more than once every twelve months. The company will reunderwrite and rerate their policy using the updated insurance score.
5. The company will reorder an updated insurance score every thirty six months from the last time a score was obtained and re-rate and reunderwrite the insured's policy.
6. The insured's premium will not be increased based solely on the worsening of the customer's insurance score unless:
 - a. the worsening is due to a bankruptcy, tax lien, garnishment, foreclosure or judgment; or
 - b. if a subsequent insurance score no sooner than six months later confirms the worsening in score.

105. SECONDARY RESIDENCE PREMISES**A. Application**

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. Premium Adjustment

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 **\$21.00** 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 CLASSIFICATION INFORMATION

Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classification (CMC) Manual, applicable to the municipality or classified area where the insured property is located.

107. CONSTRUCTION DEFINITIONS

See Rule 104.K – Definitions.

108. SEASONAL DWELLING DEFINITION

See Rule 104.K – Definitions.

109. SINGLE AND SEPARATE BUILDINGS DEFINITION

This section is deleted in its entirety.

110. – 200. RESERVED FOR FUTURE USE

201. POLICY PERIOD

The policy will be written for a period of twelve months.

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, including any premium which was 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
 - 1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
 - 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

204. MULTIPLE COMPANY INSURANCE

This section is deleted in its entirety.

205. MINIMUM PREMIUM

- A. For prepaid policies a minimum **annual** premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. A minimum annual premium of \$200 per policy applies excluding any applicable Policy Fees, Assessments, and Surcharges. The minimum annual premium shall be computed on a pro rata basis.

206. TRANSFER OR ASSIGNMENT

This section is deleted in its entirety.

207. WAIVER OF PREMIUM

- A. When a policy is endorsed after the inception date, an amount of additional or return premium may be waived.
- B. Additional or return premiums of less than \$10 will be waived.

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

This section is deleted in its entirety.

210. REFER TO COMPANY

This section is deleted in its entirety.

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**.

212. – 300. RESERVED FOR FUTURE USE

301. BASE PREMIUM COMPUTATION FOR HO 00 03 AND HO 00 06

1. Coverage A Amount	=	_____
2. Base Rate	=	_____
3. Underwriting Group/Age of Insured Factor	x	_____
4. Form Factor	x	_____
5. Protection/Construction Factor	x	_____
6. Key Factor	x	_____
7. Claim Factor (1 + Table Entry)	x	_____
8. Base Premium	=	_____
		(Dollar Rounded)
9. Ordinance or Law		
Base Premium (Line 8) x (Factor - 1)	=	_____
		(Dollar Rounded)
10. Deductible Credit or Surcharge		
Base Premium (Line 8) x (Factor - 1)	=	_____
		(Dollar Rounded)
11. Adjusted Base Premium (8 + 9 +10)	=	_____

Common Endorsements and Premium Adjustments:

12. New Purchase Discount*		
Base Premium (Line 8)	=	_____
New Purchase Factor	x	_____
Credit Premium	=	_____
		(Dollar Rounded)
13. Age of Home Factor*		
Base Premium (Line 8)	=	_____
Age of Home (Factor - 1)	x	_____
Age of Home Premium	=	_____
		(Dollar Rounded)
14. Renovated Home Discount *		
Base Premium (Line 8)	=	_____
Renovated Home Factor	x	_____
Credit Premium	=	_____
		(Dollar Rounded)
15. Protective Devices Discount *		
Base Premium (Line 8)	=	_____
Protective Devices Factor	x	_____
Credit Premium	=	_____
		(Dollar Rounded)

* Note: New Purchase, Age of Home, Renovated Home and Protective Devices discounts are subject to Maximum Policy Credit

16. Homeowner Package Endorsement		
(Line 11) x (Package Percent Rate)	=	_____
		(Dollar Rounded)
17. Residence Premises Basic or Increased Liability Rate		
Selected Liability Limit	=	_____
Selected Medical Payments Limit	=	_____
Residence Premises Liability Premium	=	_____
18. Subtotal Policy Premium		
11 - 12 + 13 - 14 - 15 + 16 + 17	=	_____

Other Property Endorsements:

Refer to manual for rating of individual endorsements

19. Secondary Residence Premises	=	_____
20. Townhouse or Row House	=	_____
21. Personal Property Replacement Cost	=	_____
22. Additional Amounts of Insurance	=	_____
23. Business Property – Increased Limits	=	_____
24. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money	=	_____
25. Fire Department Service Charge	=	_____
26. Permitted Incidental Occupancies Residence Premises	=	_____
27. Loss Assessment Coverage	=	_____
28. Loss of Use – Increased Limit	=	_____
29. Other Structures	=	_____
30. Personal Property	=	_____
31. Personal Property - Scheduled	=	_____
32. Rental to Others – Theft Coverage	=	_____
33. Special Computer Coverage	=	_____
34. Water Back Up and Sump Overflow	=	_____
35. Total Other Property Endorsements		
(Sum of Lines 19 through 34)	=	_____

Optional Liability Endorsements:

Selected Limit of Liability and Medical Payments must be the same as limit selected in Line 17.

36. Other Insured Location Occupied by Insured	=	_____
37. Additional Residence Rented to Others	=	_____
38. Other Structures Rented to Others	=	_____
39. Permitted Incidental Occupancies	=	_____
40. Business Pursuits	=	_____
41. Personal Injury	=	_____
42. Incidental Low Power Rec. Motor Vehicles	=	_____
43. Outboard Motors and Watercraft	=	_____
44. Total Liability Endorsement Premiums		
(Sum of Lines 36 through 43)	=	_____
45. Subtotal Line 18 + Line 35 + Line 44	=	_____
46. Occupancy Charge (Line 45 x 10%)	=	_____
47. Landlord's Endorsement (Line 45 x 1%)	=	_____
48. Builder Credit	=	_____
49. Affinity Credit	=	_____
50. Multi-Policy Credit (Line 45 x MPC%)	=	_____
51. Commissionable Policy Premium		
(Sum of Lines 45 through 50)	=	_____
52. Policy Fee (If Applicable)	=	_____
53. Local Taxes and Assessments (If Applicable)	=	_____
54. State Assessments and Surcharges (If Applicable)	=	_____
55. Total Policy Premium		
(Sum of Lines 51 through 54)	=	_____

CLASSIFICATION TABLES

- (1) Form Factors

Homeowners	1.00
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- (2) Protection - Construction Factors

Territories 30, 31:

	Construction*	
Prot.	Frame	Masonry
1-10	1.00	0.90

Territories 33-34:

	Construction*	
Prot.	Frame	Masonry
1	1.00	0.90
2	1.00	0.90
3	1.00	0.90
4	1.00	0.90
5	1.00	0.90
6	1.00	0.90
7	1.20	1.00
8	1.20	1.00
9	1.30	1.20
10	1.50	1.40

* Masonry Veneer is rated as Masonry.

* Aluminum or Plastic Siding over Frame is rated as Frame

**HO 00 03 AND HO 00 06 BASE RATES FOR \$100,000
COVERAGE A AND A \$1,000 ALL PERILS DEDUCTIBLE**

Territory	Base Rate
30	\$668.69
31	\$758.75
32	\$606.37
33	\$617.54
34	\$681.51

UNDERWRITING GROUP / AGE OF INSURED RATING FACTORS

Age of Primary Named Insured		Underwriting Group												
Age Group	Code	A	B	C	D	E	F	G	H	I	J	K	L	M
16-29	1	2.000	1.920	1.850	1.770	1.690	1.620	1.540	1.460	1.380	1.310	1.230	1.150	1.080
30-39	2	2.000	1.920	1.850	1.770	1.690	1.620	1.540	1.460	1.380	1.310	1.230	1.150	1.080
40-49	3	1.900	1.824	1.758	1.682	1.606	1.539	1.463	1.387	1.311	1.245	1.169	1.093	1.026
50 & over	4	1.800	1.728	1.665	1.593	1.521	1.458	1.386	1.314	1.242	1.179	1.107	1.035	0.972
Unknown	5	2.000	1.920	1.850	1.770	1.690	1.620	1.540	1.460	1.380	1.310	1.230	1.150	1.080

Age of Primary Named Insured		Underwriting Group													
Age Group	Code	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	
16-29	1	1.000	0.950	0.900	0.850	0.800	0.750	0.700	1.000	1.000	1.000	1.060	1.060	1.060	
30-39	2	1.000	0.950	0.900	0.850	0.800	0.750	0.700	1.000	1.000	1.000	1.060	1.060	1.060	
40-49	3	0.950	0.903	0.855	0.808	0.760	0.713	0.665	0.950	0.950	0.950	1.007	1.007	1.007	
50 & over	4	0.900	0.855	0.810	0.765	0.720	0.675	0.630	0.900	0.900	0.900	0.954	0.954	0.954	
Unknown	5	1.000	0.950	0.900	0.850	0.800	0.750	0.700	1.000	1.000	1.000	1.060	1.060	1.060	

Note: Rating Groups will be designated as a combination of the Underwriting Group and the Age Group, for example, "A1", "L2", "X4".

KEY FACTOR TABLE

Amt of Insurance	Relativity	Amt of Insurance	Relativity	Amt of Insurance	Relativity
40,000	0.690	88,000	0.956	190,000	1.617
42,000	0.699	90,000	0.962	195,000	1.661
44,000	0.708	92,000	0.970	200,000	1.705
46,000	0.717	94,000	0.977	205,000	1.749
48,000	0.728	96,000	0.985	210,000	1.793
50,000	0.738	98,000	0.992	215,000	1.838
52,000	0.752	100,000	1.000	220,000	1.882
54,000	0.765	105,000	1.023	225,000	1.926
56,000	0.780	110,000	1.045	230,000	1.969
58,000	0.795	115,000	1.072	235,000	2.014
60,000	0.811	120,000	1.098	240,000	2.059
62,000	0.829	125,000	1.128	245,000	2.104
64,000	0.847	130,000	1.157	250,000	2.149
66,000	0.866	135,000	1.190	255,000	2.194
68,000	0.887	140,000	1.222	260,000	2.239
70,000	0.907	145,000	1.258	265,000	2.284
72,000	0.913	150,000	1.293	270,000	2.329
74,000	0.920	155,000	1.331	275,000	2.374
76,000	0.925	160,000	1.369	280,000	2.419
78,000	0.929	165,000	1.409	285,000	2.464
80,000	0.933	170,000	1.448	290,000	2.509
82,000	0.939	175,000	1.490	295,000	2.554
84,000	0.945	180,000	1.531	300,000	2.599
86,000	0.951	185,000	1.574	Each Add'l \$1,000	0.009

To interpolate, compute the difference of the desired and next lowest Coverage A amounts, Multiply by the difference between the next highest and next lowest Key Factors, Divide by the difference between the next highest and next lowest Coverage A, add to the next lowest Key Factor and round to three decimal places.

To compute Key Factors for Coverage A above 300,000, compute the difference between the desired Coverage A and 300,000, Divide by 1,000, multiply by the Each Additional Factor, add the 300,000 Key Factor, and round to three decimal places.

NEW PURCHASE DISCOUNT

Newly purchased homes are eligible for the following credit applied to base premium. This credit does not apply to refinanced homes.

- 1ST YEAR 10%
- 2ND YEAR..... 7%
- 3RD YEAR..... 3%
- OVER 3 YEARS 0%

AGE OF HOME FACTORS

Apply the appropriate factor to base premium.

Dwelling Age	Credit
0	0.61
1	0.64
2	0.66
3	0.69
4	0.72
5	0.74
6	0.77
7	0.79
8	0.82
9	0.85
10	0.88
11-15	1.00
16-20	1.05
21-25	1.10
26-30	1.15
31-35	1.20
36-40	1.25
41 and over	1.30

RENOVATED HOME DISCOUNT

Homes insured that are over 10 years of age that have had their electrical (junction box & all wiring replaced); heating (central unit replaced); and/or plumbing (replaced with copper and/or new PVC) system(s) completely renovated or have had their roofs replaced within the past 10 years are eligible for the following credit to the base premium.

Age of Improvement	New Electrical System	New Heating System	New Roof	New Plumbing System	Maximum ALL Combined
0	8%	8%	5%	5%	20%
1	8%	8%	5%	5%	18%
2	7.5%	7.5%	4.5%	4.5%	16%
3	7%	7%	4.5%	4.5%	14%
4	6.5%	6.5%	4%	4%	13%
5	6%	6%	4%	4%	12%
6	5%	5%	3.5%	3.5%	10%
7	4%	4%	3%	3%	8%
8	3%	3%	3%	3%	6%
9	2%	2%	2%	2%	4%
10	1%	1%	1%	1%	2%

BUILDER CREDIT

This credit applies to homes built by specific builders for home ages 0 to 10. Age is defined as effective year minus year built. For accredited builders, the homeowner will receive a \$20 reduction of their total policy premium (before municipal tax and premium surcharge are added) for home ages 0 – 2 years and a \$10 reduction of their total policy premium (before municipal tax and premium surcharge are added) for home ages 3 – 10 years. Accredited builders are builders that build 3,000 homes per year nationally or 500 homes per year in a single state and are recognized for their willingness to stand behind their product. A list of approved builders is available from the underwriting department.

AFFINITY CREDIT

A \$10 credit will be given to customers of approved financial institutions. A list of approved institutions is available from the underwriting department.

CLAIM FACTOR

Consecutive Years	Basic Premium Adjustment				
	Number of Qualified Claims				
	0	1	2	3	4+
0 - 2	0%	+10%	+30%	+55%	+85%
3 - 5	- 5%	+ 5%	+30%	+55%	+85%
6 – 8	-10%	0%	+25%	+55%	+85%
9+	-10%	-10%	+10%	+45%	+85%

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last 3 years (ending 3 months prior to the current renewal effective date). A qualified claim is considered to be any non-catastrophe or non-weather related claim which results in a net paid loss during this 3 year period. Losses which only have payments under Medical Payments coverage are also NOT considered to be qualified claims.

The number of qualified Section I (Property Coverages) claims may be reduced or eliminated with the selection of a higher deductible. All claims that would not have applied if this higher deductible had been in force at the time of the claim are removed from the total qualified claim count.

The number of qualified Section II (Liability) claims may be reduced or eliminated with the elimination of the coverage under which the claim was made or exposure which caused the claim.

MULTI-POLICY CREDIT

The homeowners policy for the primary residence in this state will receive a 5% credit if the insured's private passenger automobile policy is written with a partner company.

The homeowners policy for the primary residence in this state will receive a 10% credit when the insured's private passenger automobile policy is written through an affiliate of our parent company, QBE the Americas, Inc.

MAXIMUM POLICY CREDIT

The maximum credit available to all policies applicable to the New Purchase, Age of Home Factor, Renovated Home and Protective Devices Credits is 65%.

302. LOSS SETTLEMENT OPTIONS

This section is deleted in its entirety.

303. ORDINANCE OR LAW COVERAGE

A. Basic Limit

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount of Coverage

1. Description

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph **2.** 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 Determination

To develop the Base Premium multiply the premium computed in accordance with Rule **301.** by the appropriate factor selected from the following table:

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

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HO 04 77.**

304. SPECIAL PERSONAL PROPERTY COVERAGE

This section is deleted in its entirety.

305. – 400. RESERVED FOR FUTURE USE

401. SUPERIOR CONSTRUCTION

This section is deleted in its entirety.

402. TOWNHOUSE OR ROW HOUSE (HO 00 03)

The premium for an eligible 1 or 2 family dwelling in a town or row house structure is computed by multiplying the Adjusted Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9 & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
* 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.		

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.

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.

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)

This section is deleted in its entirety.

F. Premium Determination

Multiply the Adjusted Base Premium including any premium adjustment for Coverage **C** limits by a factor of 1.15.

404. PROTECTIVE DEVICES

<u>Type of Installation</u>	<u>Factor</u>
Monitored burglar alarm	5%
Monitored fire alarm.....	5%
Local fire alarm.....	2%
Automatic Sprinklers.....	8%

The above credits are additive, however, only the largest fire and largest burglar credits apply. Sprinkler credit is an additional credit.

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

405. INFLATION GUARD

This section is deleted in its entirety.

406. DEDUCTIBLES

Deductible	All Perils	HO 00 03 Including Hurricane Percentage Deductible of		
		1%	2%	5%
Coverage A between \$0 and \$124,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	N/A	0.91	0.87
\$2,500	0.90	N/A	N/A	0.77
High Deductible				
\$5,000	0.82	N/A	N/A	N/A
\$7,500	0.78	N/A	N/A	N/A
\$10,000	0.75	N/A	N/A	N/A
Coverage A between \$125,000 and \$249,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	0.95	0.90	0.87
\$2,500	0.90	N/A	0.78	0.77
High Deductible				
\$5,000	0.82	N/A	N/A	N/A
\$7,500	0.78	N/A	N/A	N/A
\$10,000	0.75	N/A	N/A	N/A
Coverage A over \$249,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	0.95	0.90	0.87
\$2,500	0.90	0.79	0.73	0.71
High Deductible				
\$5,000	0.82	N/A	N/A	N/A
\$7,500	0.78	N/A	N/A	N/A
\$10,000	0.75	N/A	N/A	N/A

When a High Deductible is chosen, any Hurricane Deductible requirement is waived. In addition, there are no Hurricane Deductible options available when a High Deductible is chosen.

When a Hurricane Deductible is selected, use Hurricane Deductible - Rhode Island Endorsement **HO 03 57**.

407. ADDITIONAL AMOUNTS OF INSURANCE (HO 00 03)

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverage **A, B, C,** and **D**, when loss to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy declarations.

C. Options Available

When either of the following options is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. Specified Additional Amount Of Insurance For Coverage A Only

- a. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.

The additional amount **cannot** be applied to any other coverage nor does it increase the Coverage **A** limit.

- b. The premium for this option is computed by multiplying the Adjusted Base Premium by the appropriate factor selected from the following table:

Additional Amount Options	Factor
25%	1.03
50%	1.06

- c. Use Specified Additional Amount of Insurance for Coverage **A** Only Endorsement **HO 04 20**.

2. Additional Limits Of Liability For Coverages A, B, C, And D

This section is deleted in its entirety.

D. Endorsement Exception

Do not use either endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage or replacement value is attached to the policy.

**408. ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OF HAIL LOSSES TO ROOF
SURFACING**

This section is deleted in its entirety.

**409. REPLACEMENT COST LOSS SETTLEMENT FOR
CERTAIN NON-BUILDING STRUCTURES**

This section is deleted in its entirety.

410. BUILDING CODE EFFECTIVENESS GRADING

This section is deleted in its entirety.

411. – 500. RESERVED FOR FUTURE USE

SECTION I – PROPERTY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

501. BUILDING ADDITIONS AND ALTERATIONS AT OTHER RESIDENCES

This section is deleted in its entirety.

502. BUILDING ADDITIONS AND ALTERATIONS – INCREASED LIMIT

This section is deleted in its entirety.

503. BUSINESS PROPERTY – INCREASED LIMIT

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 **\$44.29*** 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.
4. The Property described in Paragraphs **3.a.** and **3.b.** are covered under the following optional endorsements:
 - a. Permitted Incidental Occupancies;
 - b. Home Day Care; or
 - c. Home Business Insurance Coverage.

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 percent of the total on-premises limit of liability.

C. Endorsement

Use Increased Limits On Business Property Endorsement **HO 04 12**.

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

A. Coverage Increase

The limit of \$500 may be increased. An additional rate is to be charged.

B. Premium

Charge the following additional rate:

<u>TOTAL LIMIT</u>	<u>RATE</u>
\$ 1,000	\$1.79*
\$ 2,500	5.33*
\$ 5,000	7.08*
\$ 7,500	8.87*
\$ 10,000	10.63*

C. Endorsement

Use Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage Increased Limit Endorsement **HO 04 53**.

505. EARTHQUAKE

This section is deleted in its entirety.

506. FIRE DEPARTMENT SERVICE CHARGE

The limit of \$500 may be increased to a maximum of \$1,000.

The rate per \$100 of increase is **\$3.00**.

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

This section is deleted in its entirety.

508. FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

This section is deleted in its entirety.

509. HOME DAY CARE COVERAGE

This section is deleted in its entirety.

* Deductible Factor Applies

**510. PERMITTED INCIDENTAL OCCUPANCIES
RESIDENCE PREMISES**

A. Coverage Description

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 another structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HO 04 42** 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.

C. Other Structures

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. Personal Property

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 Computation

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 **\$10.63*** 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.

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.

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

To increase the coverage, use the following rates:

New Amount of Insurance	Premium
\$5,000	\$7.00*
\$10,000	\$12.00*
Each Add'l \$5,000	\$4.00*

B. Additional Locations

This section is deleted in its entirety.

C. Endorsement

Use Loss Assessment Coverage Endorsement **HO 04 35**.

512. LOSS OF USE – INCREASED LIMIT

- A. When the limit of liability for Coverage **D** is increased, charge the rate per \$1,000 of additional insurance.
- B. Charge **\$7.08*** per \$1,000 of additional insurance.

**513. ORDINANCE OR LAW INCREASED AMOUNT OF
COVERAGE**

This section is deleted in its entirety.

* Deductible Factor Applies

511. LOSS ASSESSMENT COVERAGE

514. OTHER STRUCTURES**A. On-Premises Structures**

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits**a. Premium**

Charge **\$7.08*** per \$1,000 of additional insurance.

b. Endorsement

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48**.

2. Structure On The Residence Premises Rented To Others**a. Premium**

Use the sum of:

- (1) Charge **\$10.63*** 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.

b. Use Structures Rented to Others – Residence Premises Endorsement **HO 04 40.****B. Structures Off The Residence Premises****1. Form HO 00 03****a. Coverage Description**

- (1) The policy automatically provides Coverage **B** - Other Structures at 10% of Coverage **A** on a blanket basis to structures located on the residence premises.
- (2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

b. Premium

Charge **\$26.58*** per policy.

c. Endorsement

Use Other Structures Away From The Residence Premises **HO 04 91**.

2. All Forms**a. Premium**

- (1) When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance shall apply separately to each location.
- (2) Charge **\$8.87*** per \$1,000 of insurance.

b. Endorsement

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

515. PERSONAL PROPERTY**A. Increased Limit**

1. The limit of liability for Coverage **C** may be increased.
2. Charge **\$3.54*** per \$1,000 of insurance.

B. Increased Limits - Other Residences

1. 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.
2. Charge **\$12.41*** per \$1,000.
3. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

C. Reduction in Limit

1. The limit of liability for Coverage **C** may be reduced to an amount not less than 40% of the limit for Coverage **A**.
2. The credit per \$1,000 is **\$1.79***.

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.

Charge **\$28.34*** per \$1,000.

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.

Charge **\$10.63*** per \$100 for Money and **\$7.08*** per \$100 for Securities.

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.

Charge **\$2.00*** per \$500.

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.

Charge **\$5.33*** per \$100.

* Deductible Factor Applies

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.

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

Rate: **\$17.71*** per \$500.

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

E. Refrigerated Personal Property

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. A deductible of \$100 applies.

Charge **\$18.00** per policy.

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

F. Theft Coverage Increase - HO 00 08

This section is deleted in its entirety.

516. PERSONAL PROPERTY - SCHEDULED

Class of Property	Rate Per \$100	Maximum Item Limit	Maximum Class Limit
Jewelry	\$1.25	\$25,000	\$100,000
Furs	\$0.40	\$25,000	\$100,000
Silverware	\$0.60	\$25,000	\$100,000
Fine Arts	\$0.25	\$25,000	\$100,000
Cameras	\$1.65	\$25,000	\$100,000
Musical Instruments	\$0.55	\$25,000	\$100,000

Limits in excess of \$15,000 per item must be submitted for approval prior to any coverage being bound.

Individual items valued between \$1,000 and \$4,999 require an appraisal that is less than 5 years old. Individual items valued at \$5,000 or more require a current appraisal.

The maximum insured value for scheduled items is \$100,000 in aggregate for all classes. Scheduled items totaling \$50,000 or more require prior underwriting approval.

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

517. RENTAL TO OTHERS – EXTENDED THEFT COVERAGE

A. Coverage Description

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

B. Premium

Charge **\$53.16*** per policy.

C. Endorsement

Use Extended Theft Coverage For Residence Premises Occasionally Rented To Others Endorsement **HO 05 41**.

518. SINKHOLE COLLAPSE COVERAGE

This section is deleted in its entirety.

519. SPECIAL COMPUTER COVERAGE

A. Coverage Description

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

B. Premium

Charge **\$26.58*** per policy.

C. Endorsement

Use Special Computer Coverage Endorsement **HO 04 14**.

520. LIVESTOCK COLLISION COVERAGE

This section is deleted in its entirety.

* Deductible Factor Applies

521. WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE**A. Coverage Description**

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

B. Coverage Option

The policy may be endorsed to provide such coverage for a limit of liability of \$7,500 above the all perils deductible amount.

C. Premium

Charge **\$60.00*** per policy.

D. Endorsement

Use Water Back-up And Sump Discharge Or Overflow Endorsement **HO 95 50**.

522. LANDLORDS FURNISHINGS

This section is deleted in its entirety.

523. ASSISTED LIVING CARE COVERAGE

This section is deleted in its entirety.

524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD

This section is deleted in its entirety.

525. MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

This section is deleted in its entirety.

526. RESIDENCE HELD IN TRUST

This section is deleted in its entirety.

527. STUDENT AWAY FROM HOME

This section is deleted in its entirety.

528. HOME BUSINESS INSURANCE COVERAGE

This section is deleted in its entirety.

529. MODIFIED OTHER INSURANCE AND SERVICE AGREEMENT CONDITION

This section is deleted in its entirety.

530. – 600. RESERVED FOR FUTURE USE

HOMEOWNERS PACKAGE ENDORSEMENTS

PLATINUM PACKAGE (HO 00 03)

Available only with:

Minimum Deductible: \$1,000 All Perils or 1% Wind/Hail

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 50% of Coverage A

Replacement Cost – Unscheduled Personal Property

Coverage C limit increased to 70% of Coverage A

Coverage D limit increased to 40% of Coverage A

Increased Special Limits as shown in the form

Mortgage Protection - the insured's mortgage payment on a first trust deed or mortgage on the insured dwelling will be paid, up to \$1,500 per month for up to 12 months, when the home remains uninhabitable 90 days after a covered loss.

Refrigerated Property Coverage – the insured's covered property stored in a freezer or refrigerator on the residence premises will be covered up to \$500 for loss due to loss of power or mechanical failure.

Lock Replacement – reasonable expenses will be covered to re-key the insured's exterior locks when the keys to those locks are a part of a covered theft loss.

% of Adjusted Base Premium..... 45.0%

Use Platinum Homeowners Package Endorsement **HO 94 11**.

GOLD PACKAGE (HO 00 03)

Available only with:

Deductibles: Open to All

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 30% of Coverage A

Replacement Cost – Unscheduled Personal Property

Coverage C limit increased to 65% of Coverage A

Coverage D limit increased to 35% of Coverage A

Increased Special Limits as shown in the form

Mortgage Protection - the insured's mortgage payment on a first trust deed or mortgage on the insured dwelling will be paid, up to \$1,500 per month for up to 12 months, when the home remains uninhabitable 90 days after a covered loss.

% of Adjusted Base Premium.....34.0%

Use Homeowners Package Endorsement **HO 94 12**.

PLUS PACKAGE (HO 00 03)

Available only with:

Deductibles: Open to All

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 15% of Coverage A

Replacement Cost – Unscheduled Personal Property

Coverage C limit increased to 60% of Coverage A

Increased Special Limits as shown in the form

% of Adjusted Base Premium.....19.0%

Use Homeowners Plus Package Endorsement **HO 94 13**.

CATASTROPHE PROTECTION (HO 00 03)

This endorsement provides an additional amount of Coverage A, B, and/or D if the insured sustains a covered loss that exceeds the amount of Coverage A shown in the declarations, and is a direct result of an occurrence or series of occurrences that are assigned a catastrophe serial number by the Property Claims Service® unit of Insurance Services Office, Inc. The insured has the option to apply the additional amount of coverage to Coverage A, B, and/or D individually or collectively.

Coverage equal to % of Coverage A	Premium
100%	Included

This coverage is in addition to Extended Replacement Cost coverage.

Use Catastrophe Protection: Additional Limits of Liability Endorsement **HO 95 23**.

LANDLORD’S ENDORSEMENT

When the property is not owner-occupied and is regularly rented or held for rental to others, this endorsement must be added. This endorsement amends the policy to provide a base limit of \$5,000 of Coverage C Personal Property Coverage, a base limit of Coverage D Loss of Use of 30% of the Coverage A limit of liability, and limits liability and medical payments coverage to those losses that occur on the property. Increased Coverage C limits are available for an additional premium. If this endorsement is added, only optional endorsements HO0312, HO0410, HO0416, HO0420, HO0435, HO0448, HO0477, HO0490, HO9523 and HO9550 are available.

% of premium..... 1% (see Rule **301**.)

Use Landlord’s Endorsement **HO 95 18**.

OCCUPANCY CHARGE

An occupancy charge of 10% will be applied to all policies where the insured property is not the primary residence or when the number of dwelling units is greater than one.

SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

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

A. Residence Premises

1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 101.

2. Increased limits rates are as follows:

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1 family	Included	\$5.00	\$19.00	\$28.00	\$33.00	\$47.00	\$40.00	\$46.00	\$60.00
2 families	Included	\$5.00	\$19.00	\$28.00	\$33.00	\$47.00	\$40.00	\$46.00	\$60.00

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

B. Other Exposures

- The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise indicated.
- If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

602. OTHER INSURED LOCATION OCCUPIED BY INSURED

A. Introduction

- 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.
- 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.

B. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1 family	\$12.00	\$14.00	\$19.00	\$15.00	\$17.00	\$22.00	\$16.00	\$18.00	\$23.00
2 families	\$24.00	\$26.00	\$31.00	\$30.00	\$32.00	\$37.00	\$33.00	\$34.00	\$40.00

603. RESIDENCE EMPLOYEES

This section is deleted in its entirety.

604. ADDITIONAL RESIDENCE RENTED TO OTHERS

A. Introduction

- The policy may be endorsed to provide coverage when an additional residence is rented to others.
- If the additional residence rented to others is in another state, refer to the Manual for that state.

B. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1 family	\$109.00	\$111.00	\$117.00	\$136.00	\$138.00	\$143.00	\$148.00	\$150.00	\$155.00
2 families	\$173.00	\$175.00	\$180.00	\$214.00	\$216.00	\$221.00	\$233.00	\$235.00	\$240.00

C. Endorsement

Use Additional Residence Rented To Others Endorsement **HO 24 70**.

605. OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES

A. Coverage Description

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.
2. Refer to Rule 514.A.2. for rating Section I Coverage.

B. Premium

\$100,000			\$300,000			\$500,000		
\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
\$109.00	\$111.00	\$117.00	\$136.00	\$138.00	\$143.00	\$148.00	\$150.00	\$155.00

C. Endorsement

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

606. COMPUTER-RELATED DAMAGE OR INJURY EXCLUSION AND COVERAGE OPTIONS

This section is deleted in its entirety.

607. HOME DAY CARE COVERAGE

This section is deleted in its entirety.

608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES AND OTHER RESIDENCES

A. Coverage Description

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

1. Residence Premises

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

2. Other Residence

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

B. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
Per Residence Premises	\$30.00	\$39.00	\$64.00	\$38.00	\$46.00	\$71.00	\$41.00	\$50.00	\$75.00
Other Residence	\$32.00	\$38.00	\$52.00	\$40.00	\$45.00	\$59.00	\$44.00	\$49.00	\$63.00

609. BUSINESS PURSUITS

A. Coverage Description

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. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1. Clerical	\$8.00	\$10.00	\$15.00	\$10.00	\$12.00	\$17.00	\$11.00	\$13.00	\$18.00
2. Sales - Incl. Installation	\$12.00	\$14.00	\$19.00	\$15.00	\$17.00	\$22.00	\$16.00	\$18.00	\$23.00
Excl. Installation	\$8.00	\$10.00	\$15.00	\$10.00	\$12.00	\$17.00	\$11.00	\$13.00	\$18.00
3.a. Teachers – Lab, etc.	\$22.00	\$26.00	\$35.00	\$28.00	\$31.00	\$40.00	\$30.00	\$33.00	\$42.00
3.b. Teachers - NOC	\$10.00	\$12.00	\$17.00	\$13.00	\$14.00	\$20.00	\$14.00	\$15.00	\$21.00

C. Endorsement

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

610. PERSONAL INJURY

A. Introduction

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. Premium

\$100,000			\$300,000			\$500,000		
\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
\$23.00	N/A	N/A	\$29.00	N/A	N/A	\$31.00	N/A	N/A

C. Endorsement

Use Personal Injury Endorsement **HO 24 82**.

611. INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLES

A A. Coverage Description

1. The policy may be endorsed to provide liability coverage for certain types of recreational motor vehicles that cannot exceed a speed of 15 miles per hour on level ground. However, even with the endorsement there is no coverage for such vehicles if, at the time and place of an occurrence, the involved vehicle:
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by law, or regulation issued by a government agency, for it to be used at the place or an "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. The following may not be covered:
 - a. Motorized bicycles;
 - b. Motorized Golf carts; or
 - c. Mopeds.

B. Premium

\$100,000			\$300,000			\$500,000		
\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
\$27.00	\$28.00	\$34.00	\$33.00	\$35.00	\$40.00	\$36.00	\$38.00	\$43.00

C. Endorsement

Use Incidental Low Power Recreational Motor Vehicle Endorsement **HO 24 13**.

612. OUTBOARD MOTORS AND WATERCRAFT

A. Introduction

Coverage is included in the policy form, at no additional charge, for certain 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. Coverage is also included for watercraft powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump, of 50 horse power or less when not owned by an insured or more than 50 horse power when not owned by or rented to an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage for the following types of craft:
 - a. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower; or powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump.
 Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
 - b. Sailboats 26 feet or more in overall length, with or without auxiliary power.
2. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
3. For watercraft not described in preceding Paragraphs **A.** and **B.1.**, coverage isn't permitted under the Homeowners Policy.
4. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.

C. Premium

Outboard, Inboard, or Inboard-Outdrive Engines or Motors

Up to 15 ft. length Horsepower	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
up to 50+	\$9.00	\$15.00	\$29.00	\$11.00	\$17.00	\$31.00	\$12.00	\$18.00	\$32.00
51 to 100	\$16.00	\$23.00	\$40.00	\$19.00	\$26.00	\$44.00	\$21.00	\$28.00	\$46.00
Over 101	\$22.00	\$33.00	\$59.00	\$27.00	\$38.00	\$64.00	\$30.00	\$40.00	\$67.00

Over 15 to 26 ft. Horsepower	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
up to 50+	\$14.00	\$21.00	\$39.00	\$18.00	\$25.00	\$43.00	\$19.00	\$26.00	\$44.00
51 to 100	\$21.00	\$31.00	\$58.00	\$26.00	\$36.00	\$63.00	\$28.00	\$39.00	\$65.00
101 to 150	\$27.00	\$41.00	\$77.00	\$34.00	\$48.00	\$83.00	\$37.00	\$51.00	\$86.00
Over 151	\$34.00	\$55.00	\$108.00	\$42.00	\$63.00	\$116.00	\$45.00	\$66.00	\$120.00

Sailboats with or without auxiliary power

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
	\$9.00	\$15.00	\$29.00	\$11.00	\$17.00	\$31.00	\$12.00	\$18.00	\$32.00

D. Endorsement

Use Watercraft Endorsement **HO 24 75.**

613. OWNED SNOWMOBILE

This section is deleted in its entirety.

614. FARMERS PERSONAL LIABILITY

This section is deleted in its entirety.

615. INCIDENTAL FARMING PERSONAL LIABILITY

This section is deleted in its entirety.

616. OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES

This section is deleted in its entirety.

617. – 700. RESERVED FOR FUTURE USE

PAYMENT PLAN

1. Mortgagee Bill
2. Direct Bill

	Down payment Required	Number of Remaining Installments	Installment Charge (per installment)	
Full pay	100%	--	--	
2 pay	50%	1	\$7	Installment Due in 30 Days
3 pay	40%	2	\$7	Installments Due Every 30 Days
4 pay*	25%	3	\$7	Installments Due Every 30 Days
6 pay*	25%	5	\$7	Installments Due Every 30 Days
9 pay*	25%	8	\$7	Installments Due Every 30 Days

* Available only for total annual premiums over \$500.

- The Installment Charge does not apply to the Down payment.
- Payment may be made in full at anytime with no further Installment Charges.

POLICY FEES

New Business	\$35
Renewals	\$17

ADDITIONAL RULES**A1. SPECIAL STATE REQUIREMENTS****A. Special Provisions Endorsement HO 01 38**

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. Lead Poisoning Exclusion Endorsement HO 24 11

Use this endorsement with all Homeowners policies that insure one or more locations with buildings built before 1978 which contain one or more residential units rented or held for rental to others.

D. Actual Cash Value Definition HO 90 80

Use this endorsement with all Homeowners policies.

E. Unit-Owners Coverage A - Special Coverage Endorsement HO 17 32

Use this endorsement with all HO 00 06 policies.

F. Unit-Owners Modified Other Insurance and Service Agreement Condition HO 17 34

Use this endorsement with all HO 00 06 policies.

G. Water Exclusion Endorsement HO 16 09

Use this endorsement with all HO 00 06 policies.

H. Water Exclusion Endorsement HO 16 10

Use this endorsement with all HO 00 03 policies.

I. Animal Liability Limitation HO 93 98

Use this endorsement with all Homeowners policies.

J. Limitation Endorsement for Mold and Other Fungi, and Wet or Dry Rot, Damage HO 93 99

Use this endorsement with all Homeowners policies.

K. OFAC Notice to Policyholders IL P 001

Use this endorsement with all Homeowners policies.

L. Important Notice Regarding Your Policy PH RI 01

Use this endorsement with all Homeowners policies.

M. Extraordinary Life Event Notice PH RI 02

Use this endorsement with all Homeowners policies.

A5. LEAD POISONING EXCLUSION**A. Exclusion**

1. Coverage may be excluded for bodily injury arising out of lead poisoning in any of the following:

- a. A one to four family residential building built before 1978 that contains one or more residential units rented or held for rental to others
- b. A residential unit in any condominium or cooperative residential building before 1978 that is rented or held for rental to others.

Use Lead Poisoning Exclusion Endorsement **HO 24 11**.

2. The exclusion applies to a one to four family residential building, or a condominium or cooperative unit, **built before 1978**, without proof of Prima Facie Evidence Of Compliance for all such pre-1978 properties.

3. The exclusion does not apply to:

- a. A one family dwelling or a condominium or cooperative unit owned and occupied by an insured.
- b. A one to four family residential building **built before 1978**, or a condominium or cooperative unit rented or held for rental to others, for which Prima Facie Evidence of Compliance is in effect.

4. The exclusion ceases to apply for property for which Prima Facie Evidence of Compliance has been obtained during the policy period, on and after the date such evidence of compliance is in force.

5. Refer to Paragraph **C.1.** of the rule for Premium Development.

B. Notification Requirements

1. The insured shall be provided with a Disclosure Notice when applying for insurance, or if a renewal, with each Renewal Policy delivered.
2. The Notice shall contain information on the following:
 - a. The lead poisoning exclusion that may apply; and
 - b. The insurer's responsibilities to assist the insured in placing lead liability coverage through the FAIR Plan if the lead poisoning exclusion applies.

C. Premium Development

When Lead Poisoning Exclusion Endorsement **HO 24 11** is attached to the policy, premium factors apply based on locations which were built before 1978, are rented or held for rental to others, and the presence or absence of proof of Prima Facie Evidence Of Compliance. Determine the lead poisoning exclusion and coverage option factor for the location using the following tables.

1. Primary Location

If the primary location is a 2 or more family dwelling or a condominium or cooperative unit, multiply the Base Premium plus any additional premium of Coverage **E** increased limits by the factors in the table below:

Levels Of Lead Hazard Compliance	Factor
Lead Free	1.00
Lead Safe	1.01
Lead Mitigated:	
Independent Clearance Inspection	1.02
Visual Inspection	1.03

2. Additional Locations

For each additional location, multiply the loss costs for the Additional Location, and, if applicable, the increased limits premium, by the factors in the table below:

Levels Of Lead Hazard Compliance	Factor
Lead Free	1.00
Lead Safe	1.01
Lead Mitigated:	
Independent Clearance Inspection	1.05
Visual Inspection	1.10

3. Primary And Additional Locations

If the primary Location noted in Paragraph **C.1.** and the Additional Location(s) noted in Paragraph **C.2.** are both subject to the provisions of Lead Poisoning exclusion Endorsement, add the results of Paragraphs **C.1.** and **C.2.** to arrive at your new Total Base Premium.

TERRITORY DEFINITIONS

NOTE: NEW POSTAL DEFINITIONS WILL FOLLOW THE TERRITORY OF THE FORMER ZIPCODE ASSIGNMENT

ZIP	City	County	Terr	Seq #
02801	Adamsville	Newport	34	1
02802	Albion	Providence	32	1
02804	Ashaway	Washington	34	1
02806	Barrington	Bristol	34	1
02807	Block Island	Washington	34	1
02807	New Shoreham	Washington	34	2
02808	Bradford	Washington	34	1
02809	Bristol	Bristol	34	1
02812	Carolina	Washington	34	1
02812	Richmond	Washington	34	2
02813	Charlestown	Washington	34	1
02814	Chepachet	Providence	32	1
02815	Clayville	Providence	32	1
02816	Coventry	Kent	33	1
02817	West Greenwich	Kent	33	1
02818	East Greenwich	Kent	33	1
02822	Escoheag	Washington	34	1
02822	Exeter	Washington	34	2
02823	Fiskeville	Providence	32	1
02824	Forestdale	Providence	32	1
02825	Foster	Providence	32	1
02826	Glendale	Providence	32	1
02827	Greene	Kent	33	1
02828	Greenville	Providence	32	1
02829	Harmony	Providence	32	1
02830	Harrisville	Providence	32	1
02830	Burrillville	Providence	32	2
02831	Hope	Providence	32	1
02832	Hope Valley	Washington	34	1
02832	Richmond	Washington	34	2
02833	Hopkinton	Washington	34	1
02835	Jamestown	Newport	34	1
02836	Kenyon	Washington	34	1
02836	Richmond	Washington	34	2
02837	Little Compton	Newport	34	1
02838	Manville	Providence	32	1
02839	Mapleville	Providence	32	1
02840	Newport	Newport	34	1
02841	Newport	Newport	34	1
02842	Middletown	Newport	34	1
02852	North Kingstown	Washington	34	1

ZIP	City	County	Terr	Seq #
02854	North Kingstown	Washington	34	1
02857	Scituate	Providence	32	1
02857	North Scituate	Providence	32	2
02858	Oakland	Providence	32	1
02859	Pascoag	Providence	32	1
02860	Pawtucket	Providence	31	1
02861	Pawtucket	Providence	31	1
02862	Pawtucket	Providence	31	1
02863	Central Falls	Providence	32	1
02864	Valley Falls	Providence	32	1
02864	Cumberland	Providence	32	2
02865	Lincoln	Providence	32	1
02871	Portsmouth	Newport	34	1
02872	Prudence Island	Bristol	34	1
02873	Rockville	Washington	34	1
02874	Saunderstown	Washington	34	1
02875	Shannock	Washington	34	1
02875	Richmond	Washington	34	2
02876	Slatersville	Providence	32	1
02877	Slocum	Washington	34	1
02878	Tiverton	Newport	34	1
02879	Peace Dale	Washington	34	1
02879	South Kingstown	Washington	34	2
02879	Wakefield	Washington	34	3
02879	Narragansett	Washington	34	4
02880	Wakefield	Washington	34	1
02881	Kingston	Washington	34	1
02882	Narragansett	Washington	34	1
02882	Point Judith	Washington	34	2
02883	Peace Dale	Washington	34	1
02883	South Kingstown	Washington	34	2
02885	Warren	Bristol	34	1
02886	Warwick	Kent	33	1
02887	Warwick	Kent	33	1
02888	Warwick	Kent	33	1
02889	Warwick	Kent	33	1
02891	Westerly	Washington	34	1
02892	Richmond	Washington	34	1
02892	West Kingston	Washington	34	2
02893	West Warwick	Kent	33	1
02894	Wood River Junction	Washington	34	1

STATE MANUAL

ZIP	City	County	Terr	Seq #
02895	Woonsocket	Providence	32	1
02896	North Smithfield	Providence	32	1
02898	Richmond	Washington	34	1
02898	Wyoming	Washington	34	2
02901	Providence	Providence	30	1
02902	Providence	Providence	30	1
02903	Providence	Providence	30	1
02904	Providence	Providence	30	1
02904	North Providence	Providence	32	2
02905	Providence	Providence	30	1
02905	Cranston	Providence	31	2
02906	Providence	Providence	30	1
02907	Providence	Providence	30	1
02907	Cranston	Providence	31	2
02908	Providence	Providence	30	1
02908	North Providence	Providence	32	2
02909	Providence	Providence	30	1

ZIP	City	County	Terr	Seq #
02910	Providence	Providence	30	1
02910	Cranston	Providence	31	2
02911	North Providence	Providence	32	1
02911	Providence	Providence	30	2
02912	Providence	Providence	30	1
02912	Brown Station	Providence	32	2
02914	East Providence	Providence	31	1
02915	Riverside	Providence	32	1
02916	Rumford	Providence	32	1
02917	Smithfield	Providence	32	1
02918	Friar Station	Providence	32	1
02918	Providence	Providence	30	2
02919	Johnston	Providence	32	1
02919	Providence	Providence	30	2
02920	Cranston	Providence	31	1
02921	Cranston	Providence	31	1
02940	Providence	Providence	30	1

SERFF Tracking Number: QBEC-127015393

State: Rhode Island

Filing Company: QBE Insurance Corporation

State Tracking Number:

Company Tracking Number: 11-043-000-HO-RI

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners QBEIC

Project Name/Number: /

Supporting Document Schedules

Item Status:

Status

Date:

Satisfied - Item: Actuarial Support- RI Rate
Procedural Informational Summary
Form

Comments:

Attachments:

RIRPIS RI-HO-2011-Q01R - Procedural.pdf
RI-HO-2011-Q01R Filing Rate Memorandum.pdf
Exhibit A - Expense Exhibiit.pdf

Item Status:

Status

Date:

Satisfied - Item: Filing Memorandum

Comments:

Attachment:

RI QBE Forms Filing Memo.pdf

Item Status:

Status

Date:

Satisfied - Item: Response to Letter of March 18,
2011 with Exhibits

Comments:

Attachments:

Response - Letter of 03182011.pdf
RI-HO-2011-Q01R Filing Memorandum.rev.pdf
RI Std_Pref Man 08 01 01.pdf
Exhibit 6 rev.pdf

Item Status:

Status

Date:

Satisfied - Item: Response to Letter of April 7, 2011
with Exhibits

SERFF Tracking Number: QBEC-127015393

State: Rhode Island

Filing Company: QBE Insurance Corporation

State Tracking Number:

Company Tracking Number: 11-043-000-HO-RI

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners QBEIC

Project Name/Number: /

Comments:

Attachments:

Response - Letter of 04072011.pdf
Exhibit A.pdf
PH RI 02 07 11 - Extraordinary Life Event Notice.pdf

Item Status:

**Status
Date:**

Satisfied - Item: Response to Teleconference of August 16, 2011 with Exhibit

Comments:

Attachments:

Response 08162011.pdf
Exhibit A - Insurance Score Factors.pdf

Item Status:

**Status
Date:**

Satisfied - Item: Response to Teleconference of September 15, 2011 with Exhibits

Comments:

Attachments:

Response 09152011.pdf
Exhibit A.pdf
Exhibit B.pdf
Exhibit C.pdf

STATE OF RHODE ISLAND
 RATE PROCEDURAL INFORMATIONAL SUMMARY FOR ALL NEW
 AND REVISED RATE FILINGS

Insurers must provide a reply to the following interrogatories for all new and revised rate filings in accordance with the instructions provided below. While the insurer may attach/link exhibits to respective interrogatories, referring the Department to other exhibits to "find" information is not proper protocol for form completion. Further, if a question is not applicable, please so indicate and provide the basis for such position. Wherever the word "proposed rate" appears, the requirements also apply to all new or revised rate filings where applicable.

1. Provide a general description of the filing; i.e., list all factors and proposed rates or proposed changes to rates and rating factors. In doing so, include the current and proposed territory base rates for each coverage for which a rate level change is being proposed, the current and proposed territory definitions for each rating territory for which a change in definition is being proposed, and the current and proposed rating factors for each set of rating factors for which a new factor or change is being proposed.

New Program - See Attached Filing Memorandum

2. Provide the indicated rate level changes (where applicable), proposed rate level changes, and premium weights using premiums adjusted to current rate level for each coverage (e.g. bodily injury, property damage), subline (e.g. liability, physical damage), and all coverages combined.

<u>Coverage</u>	<u>Indicated Rate Level Change</u>	<u>Proposed Rate Level Change</u>	<u>Weights</u>	<u>Proposed Rate Level Change Components*</u>			
				<u>Base Rate Change</u> (a)	(b)	(c)	(d)
New Program	n/a	n/a	n/a				
All Coverages Combined							

*Describe components of proposed change, e.g., class, increased limits, deductibles, age and symbols, territories, policy coverage, rules, etc.

3. Provide actuarially based rate level indications to support the proposed rate or proposed rate level changes by coverage. In so doing, provide the underlying data, assumptions, and derivation of each of the following components of the indications:

- a) premiums adjusted to the current rate level;
New Program - n/a
- b) premium trend;
New Program - n/a
- c) losses and allocated loss adjustment expense (ALAE, which is now referred to as defense and cost containment expense) developed to an ultimate basis including the loss development triangles and the selected loss development factors;
New Program - n/a
- d) losses and ALAE adjusted to reflect prospective cost levels, including selected trend factors;
New Program - n/a
- e) any adjustments made for large, catastrophic, or weather related losses;
New Program - n/a
- f) any adjustments made to reflect the credibility of the experience;
New Program - n/a
- g) expense provisions – Support should include five years of expense history for each expense provision including unallocated loss adjustment expense (ULAE, which is now referred to as claim adjustment service) with an explanation if the expenses underlying the expected loss ratio or expense multiplier vary from the company's historical expenses; recognition should be given to fixed and variable expense components; and
Please see Exhibit A - pages 1-3
- h) profit & contingency provision – Support should include rationale for the target rate of return (if applicable), and an explanation (including underlying calculations, data, and assumptions) of how investment income was considered. Data used should be the most recent available to the company.
Please see Exhibit A - pages 1-3

4. Provide actuarial support and any other considerations for any proposed factors or proposed changes in rating factors or class definitions; i.e., territory definitions or relativities, class plan definitions or relativities, increased limit factors, deductible factors, discounts, surcharges, etc. Actuarial support should reflect your company's experience. If credit history is utilized in the rating or underwriting process, for homeowner's insurance or personal motor vehicle insurance, the insurer must demonstrate the predictive nature of its insurance scoring process to the Department. Question 5 and 6 enumerates additional filing requirements to support the insurer's use of credit. In addition, a) all motor vehicle filings must include the information requested in Question 15, b) all filings for territory changes must be supported pursuant to Rhode Island Insurance Regulation 62 and c) all property insurance filings must include the information requested in Question 16.

If you are proposing rates, rating factors, discounts/surcharges, class/territory definitions, etc. that are based on those currently in effect in Rhode Island for another insurance company(ies) or rating organization, provide the rates, rating factors, discounts/surcharges, class/territory definitions, etc. of that other company(ies), and explain how you have considered possible differences in coverage offered, underwriting standards, claim practices, expenses, etc. between your company and the referenced company(ies).

The underwriting guidelines for this program are based on the approved Fidelity and Deposit Company of Maryland program. There are no differences in eligibility rules except as noted in the attached filing memorandum. The rates and coverages offered for this program were developed based on the approved Empire Fire and Marine Insurance Company program's rate structure, with the addition of an insurance scoring rating variable, as explained in the attached filing memorandum.

5. In order to demonstrate the predictive nature of insurance scoring, the insurer must provide an analysis that confirms the statistical correlation between insurance score and loss experience. The analysis should be performed in such a manner that adjusts for any potential distributional biases, such as among states (if multi-state data is used) with different levels of rate adequacy, or among vehicle use risk classes with different levels of rate adequacy. In addition:

a) The source of the data must be identified, e.g., number of years of data; whether the data is by accident year or policy year; whether the data is from Rhode Island or other states; if a sample of states or a sample of risks is used, a description of how the data was collected, including data verification procedures; the percentage of the overall business that is used in the sample; etc.

Please see the Filing Memorandum as well as the TransUnion Insurance Risk Score Property Model for credit scoring that we used for this filing (attached).

b) All data adjustments must be explained and supported, e.g., loss development; adjustments for the effect of large losses; how credibility was considered in the analysis; etc.

Please see the Filing Memorandum as well as the TransUnion Insurance Risk Score Property Model for credit scoring that we used for this filing (attached).

c) The data underlying the analysis must be relatively recent.

Please see the Filing Memorandum - item #1.

6. Appropriate support for the rates/rating factors that reflect the use of insurance score should include an analysis that supports the appropriateness of each proposed rate/rating factor as opposed to any rate/rating factor. As above, the source of the data must be identified, all data adjustments must be explained and supported, and the data underlying the analysis must be relatively recent. In addition,

a) An explanation must be provided as to how risks with insufficient or no credit history will be treated.

All insureds will be afforded coverage. The following insurance groups are used for risks with insufficient or no credit history.

Underwriting Group X = No Hit

Underwriting Group Y = No Score

Underwriting Group Z = Thin Score

b) An explanation must be provided as to how risks that refuse to allow access to their credit score will be treated.

Insureds who refuse to allow access will be treated as "No Score" and will receive Underwriting Group Y.

c) The company's timing and procedure for updating credit scores must be provided, e.g., at each renewal; only on the customer's request; etc.

Please see manual page HO-E-9, Section L.

d) The rationale behind any grouping of credit scores for rating or underwriting purposes must be provided i.e., how the beginning and end points of any ranges of insurance score were selected.

Please see Exhibit 1 as well as the TransUnion Insurance Risk Score Property Model for credit scoring that we used for this filing (attached).

7. In providing the information in (3), (4), (5) and (6) above:

a) Explain all differences from the ratemaking procedures employed in your last rate filing in Rhode Island.

New Program - n/a

b) Clearly describe or label the type of information used; e.g., calendar year, policy year, or accident year; basic limits or total limits; Rhode Island or countrywide; by coverage or all coverages combined; etc.

New Program - n/a

8. Provide rationale for any proposed rate or proposed rate level change, by coverage or overall, that differs from your indicated change.

New Program - n/a

9. Provide the derivation of the estimated overall premium effect of any proposed rate or proposed changes to a rating factor or definition. Explain how you have considered each of these effects in calculating the overall proposed rate level change.

New Program - n/a

10. Provide any additional information that you feel may be helpful to the Department of Business Regulation in its review of this filing. For example, if the company has undergone changes in its operations that affect its expense provision, then this information should be provided.

We are anxious to provide an insurance scored homeowners program in Rhode Island.

11. Provide the length of time the proposed rates are expected to remain in effect.

The rates will remain in effect for at least one year.

12. Provide a description of the risk that will receive the largest rate increase and a description of the risk that will receive the largest rate decrease as a result of the changes proposed in this filing. Include the amount of the rate change for each risk described.

New Program - n/a

13. Provide an estimate of the number and percent of exposures that will receive a rate increase in excess of 15% due to the changes proposed in this filing.

New Program - n/a

14. Provide a statement signed by an actuary or an officer of the company to certify that the data submitted in the filing is accurate and reliable.

Please see SOC form attached to filing.

15. For all motor vehicle filings provide a copy of the relevant pages (and cite the manual page number and rule number) from your company's rating manual that confirm that your company is in compliance with:

a) RI Gen. Laws §27-9-53 & Insurance Regulation 25 (8), Motor Vehicle Insurance Rate Increases Relating to Violations and Accidents.

Homeowners filing - n/a

b) RI Gen. Laws §27-9-4, Consideration in Making of Rates: (4)(a)(1)(i), (4)(d), (4)(e), and Section 45-19-17, Operation of Emergency Vehicles – Accidents.

Homeowners filing - n/a

c) RI Gen. Laws §27-29-13, Payment of Premium – Cancellation

Homeowners filing - n/a

- d) Insurance Regulation 25(5)&(6), Additive and Reductive Amounts for Policy Credits, Regulation 25(7), Chargeable Accident
Homeowners filing - n/a
- e) RI Gen. Laws §27-9-7.1, Premium Reduction for Completing a Motor Vehicle Accident Prevention Course
Homeowners filing - n/a
- f) RI Gen. Laws §27-9-7.2, Premium Reduction for Anti-theft Devices, and Regulation 84
Homeowners filing - n/a
- g) RI Gen. Law §27-9-56, Use of Credit Rating
Homeowners filing - n/a
- h) Insurance Regulation 98, Rhode Island Automobile Insurance Plan
Homeowners filing - n/a

16. For all property insurance filings provide a copy of the relevant pages (and cite the manual page number and rule number) from your company's rating manual that confirm that your company is in compliance with:

- a) RI Gen. Laws §27-6-53, and Bulletin 2002-16, Use of Credit
Please see manual page HO-E-9 and list of TransUnion Insurance Risk Scoring Factors.
- b) RI Gen. Laws §27-29-4.3, Refusal to Issue or Increased Premium Due to Nonoccupancy.
Please see u/w guidelines in manual pages HO-E-1 to HO-E-9
- c) RI Gen. Laws §27-29-4(7) (i,ii,iii), Unfair Competition and Practices, and Insurance Bulletin #2003-9 "Underwriting Restriction Based on Age/Location of Property".
Please see u/w guidelines in manual pages HO-E-1 to HO-E-9
- d) RI Gen. Laws §27-5-3.7 and Insurance Regulation 110, Hurricane Deductibles, triggers and Policyholder Notices
See deductible credits offered in manual, page HO-R-10. No required wind/hail deductibles are enforced.

17. For all Title Insurance Filings, insurers must confirm that it offers a reduced mortgage refinance rate based upon actuarially supported rates, filed and approved for use in RI.

n/a

as of 4/21/2008

QBE Insurance Corporation
Personal Homeowners Multi-Peril
Memorandum
January 31, 2011

Homeowners Program - Rhode Island

We are introducing a new program in the state of Rhode Island. The Underwriting Guidelines for this program are based on the approved Fidelity and Deposit Company of Maryland program. There are no differences in eligibility rules between the Fidelity and Deposit Company of Maryland and the new QBE Insurance Corporation program except as detailed below.

The rates and coverages, however, are based on the approved Empire Fire and Marine Insurance Company program. There are no differences in rates or coverages between the Empire Fire and Marine Insurance Company and the new QBE Insurance Corporation program except as detailed below.

In order to protect individual privacy and the proprietary nature of the company's work, we request that Exhibits 1 and 3 be treated as confidential and not be released to third parties.

1. Introduction of Underwriting Group/Age Group Rating Factor

The Underwriting Groups are composed of ranges of scores as defined in Exhibit 1. The applicable scoring model is the TransUnion Insurance Risk Score – Property Model. We have included a copy of the model specification with this filing.

The rating factors for the Underwriting Group / Age of Insured Rating Factors included in Exhibit 2 were derived from the multivariate data analysis described below.

Principle 4 of the Casualty Actuarial Society's Statement of Principles - regarding property and casualty insurance ratemaking states that: "A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer." Accordingly we have used a multivariate analysis in order to determine first whether the rating variables are related to the risk of loss and then to determine the appropriate rating relativities for those factors which have been utilized. The multivariate procedures as described herein are considered "state of the art" rate classification actuarial techniques and are in accordance with "generally accepted actuarial procedures".

The data used in this multivariate analysis consisted of the experience on all the business managed by Sterling National Corporation written under the Empire Fire and Marine Insurance Company, the Empire Indemnity Insurance Company, the Fidelity and Deposit Company of Maryland, the Texas Select Lloyds Insurance Company, and the National Specialty Insurance Company programs from 2004 through 2007. These policies were retro-scored by TransUnion using the TransUnion Risk Score – Property Model. The data included the premium and claims experience on 463,000 policies and \$322,000,000 in premium written during this period.

The analysis underlying this filing was undertaken by Pinnacle Actuarial Resources, Inc. of which the project team consisted of four Fellows of the Casualty Actuarial Society (FCAS).

The proposed rating factors are based on indications generated utilizing Generalized Linear Models containing all the rating variables. The process of generating Generalized Linear Models creates rating factors that, when taken as a whole, best fit the observed differences in experience. Thus, the relativities for the non-credit rating variables do not reflect any differences explained in the relativities for the credit rating variable. Similarly, the relativities for the credit rating variable do not reflect any differences explained in the relativities for the non-credit rating variables. Such duplication or overlap would diminish the overall fit, leading the model generation process to reject the scenario as less than optimal.

The indications produced by the multivariate analysis and the selected factors for Credit Score and Insured Age are presented in Exhibits 3 and 4, respectively.

Other than the introduction of Credit Score and Insured Age, the only other rating factors that differ from those found in the approved Empire Fire and Marine Insurance Company program are the Age of Home Factors. These factors replace the New Home Discount used in the Empire program and are based on the results of the multivariate analysis. These results are included in attached Exhibit 5.

2. Base Rates

The Territory Base Rates were established in order to produce rates that would be 10% above, on average, the rates of the approved Empire Fire and Marine Insurance Company in each territory for the insured characteristics specified in Exhibit 6

3. Added High Dollar Deductible Options.

Previously, we offered \$500, \$1,000, and \$2,500 All Perils deductible options. Because we are increasing our maximum Coverage A amount, we are also introducing new High Deductible Options of \$5,000, \$7,500, and \$10,000. These High Deductibles are optional, and cannot be combined with Wind/Hail deductibles.

4. Simplified the Protective Devices Rule.

Current Empire Fire and Marine Protective Devices Credits:

<u>Type of Installation</u>	<u>Factor</u>
Central station reporting burglar alarm	0.05
Central station reporting fire alarm	0.05
Police station reporting burglar alarm	0.03
Fire department reporting fire alarm	0.03
Local burglar and/or fire alarm	0.02
Automatic sprinklers - in all areas with central station fire alarm	0.13
Automatic sprinklers - in all areas with fire detector	0.08

New QBE Protective Devices Credits:

<u>Type of Installation</u>	<u>Factor</u>
Monitored burglar alarm	0.05
Monitored fire alarm	0.05
Local fire alarm	0.02
Automatic Sprinklers	0.08

The above credits are additive, however, if both Local and Monitored Fire Alarms are selected, the Monitored credit will override the Local credit. The policy does not get both. For example, if Local Fire and Monitored Fire are selected, the credit is 5%.

5. Minimum Premium Rule Revised.

The Minimum Premium Rule has been revised to allow for an adjustment to total premium results under \$200. The \$200 minimum is pro-rated in the event of a mid-term policy cancellation. This rule is to account for the basic expenses incurred during the process of issuing a policy.

6. Addition of a Builder Credit.

For accredited builders defined as builders that build 3,000 homes per year nationally or 500 homes per year in a single state and are recognized for their willingness to stand behind their product, we experience a reduction in the claims frequency. We feel it necessary to reflect this reduced cost in a credit for accredited builders. Hence, we are offering a builder credit.

7. Addition of an Affinity Credit.

Through approved financial institutions we experience a reduction in acquisition costs that should be reflected in the price the customer pays for our policy. We are therefore offering an affinity credit to meet this savings that should be passed along to the customer.

8. Addition of the Catastrophe Coverage at no additional cost to all HO 00 03 policies.

We are introducing the HO9523 Catastrophe Endorsement. Despite the best intentions of the company, agent, and homeowner, it is possible that demand surge and reconstruction delays associated with a catastrophe may leave a homeowner with uncovered losses. In order to protect homeowners, we request approval to introduce this endorsement, which will provide additional limits of protection for Coverage A, B, and/or D in the event of a catastrophe.

9. New Water Back Up and Sump Discharge or Overflow Endorsement.

Our independent coverage differs from the approved ISO coverage, by increasing the maximum amount of coverage to \$7,500 from \$5,000 and changes the special deductible from \$250 to the policy deductible..

10. Addition of a Tiered Multi-Policy Credit

Primary residence policyholders who have a private passenger automobile policy written through qualified agents with a partner company will receive a credit of 5% of the subtotal homeowners policy premium. For the purposes of the Multi-Policy Credit, the partner company has entered into an arrangement with Sterling National Insurance Agency, Inc. in order to administer and manage a comprehensive selection of personal lines products.

In addition, residence policyholders who have a private passenger auto policy written through an affiliate of our parent company, QBE the Americas, Inc. by the same agency will receive a credit of 10% of the subtotal homeowners policy premium. By way of background, Sterling National Insurance Corporation is the nationwide program manager for the QBE Insurance Corporation homeowners program. Only policyholders who purchased a private passenger automobile policy through qualified agents are eligible for this credit.

11. Underwriting Guidelines Differences

Homes with more than two mortgages are eligible for the QBE Insurance Corporation program.

The following have been added to Ineligible Animal Exposures:

1. More than two dogs
2. The following dog breeds are unacceptable (pure breed or mixed breed):
 - a. Pitbulls
 - b. Rottweilers
 - c. Dobermans
 - d. German Shepherd
 - e. Wolf hybrids
 - f. Chows
3. The following animals must receive underwriter approval before coverage can be bound:
 - a. Working class dog breeds (cattle dogs, herding dogs, etc.)
 - b. Dogs with aggressive tendencies (like Akita, English Bulldog, Great Dane, Siberian Husky, Boxer, etc.)
 - c. Dogs over 60 pounds
4. Farm animals and Exotic Pets are ineligible.

Calculation of Investment Income and Return on Equity

Rhode Island

Steady State Projections		
(1)	Direct Written Premium	1,000,000
(2)	Direct Earned Premium	1,000,000
(3)	Beginning Unearned Premium Reserves	500,000
(4)	Ending Unearned Premium Reserves	500,000
(5)	Average Unearned Premium Reserves	500,000
(6)	Prepaid Expense Ratio	43.9% Page 2
(7)	Investable Unearned Premium Reserves	280,500 = (5) x (1.00 - (6))
(8)	Beginning Loss Reserves	189,829 Payment Pattern
(9)	Ending Loss Reserves	189,829 assumes 66% paid in first year
(10)	Average Loss Reserves	189,829 and 90% in second year
(11)	Average Total Investable Reserves	470,329
(12)	Average Statutory Surplus	588,235 1.7 Prem to Surplus Ratio
(13)	Projected Annual Investment Yield	1.00% Page 3
(14)	Projected Investment Income On Reserves	4,703 = (13) x (11) for 6 months on average
(15)	Projected Investment Income On Surplus	5,882 = (13) x (12) for 6 months on average
(16)	Total Projected Investment Income	10,586 = (14) + (15)
(17)	Total Projected Investment Income As Percent Of Earned Premium	1.06% = (16) / (2)
(18)	Underwriting Profit Percent	12.30% Page 2
(19)	Underwriting Profit	123,000 = (18) x (2)
(20)	Total Projected Pre-Tax Profit	133,586 = (16) + (19)
(21)	Corporate Federal Income Tax Rate	34.0%
(22)	Expected After-Tax Profit	88,167 = (20) x (1.00 - (21))
(23)	Expected After-Tax ROE	15.0% = (22) / (12)
(24)	Target After-Tax ROE	15.0% Selected

- The expected average loss reserves are based on an anticipated payout pattern where 66.66% of accident year incurred losses are paid out at 12 months, 90% is paid at 24 months, and 100% is paid at 36 months.

- The surplus allocation is based on a direct written premium to surplus ratio of 1.0 to 1.7.

	Current Year
Earned Premium	1,000,000
Expected Ultimate Losses for year (plus time paid expenses)	438,000
Expected % Paid @ end of year	66.66%
Expected % Unpaid @ end of year	33.34%
Expected Loss & LAE Reserves @ end of year	146,029
Assumed Premium to Surplus Ratio	1.7

Calculation of Permissible Loss Ratio

Rhode Island

Rate	
Breakdown	% of Premium
Comm & Brokerage	28.50%
Other Acquisition	6.00%
General Expense	6.00%
Taxes, Lic, Fees	2.00%
Reinsurance Costs	2.00%
Total Expense	44.50%
Underwriting Profit Less Inv Inc	12.30%
Losses & LAE / L+LAE (plus time paid expenses)	43.20%
Underwriting Profit to Yield 15% ROE (no Inv Inc)	13.36%
Investment Income Earned	1.06%
Net Underwriting Profit (after Inv Inc)	12.30%
Commissions equal amount paid by contract	
Other Acquisition:	
Customer Service	2.0%
Postage and printing	1.4%
GUS & C.L.U.E. reports	0.9%
Lead Processing	0.7%
<u>Inspections</u>	<u>1.0%</u>
Total Other Acquisition	6.0%
General Expense:	
Policy Management System	3.4%
A/R processing	0.6%
<u>Product Management Overhead</u>	<u>2.0%</u>
Total General	6.0%

Selection of Annual Investment Yield

Date	Daily Treasury Yield Curve Rates									
	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	20 Year
1/26/2011	0.15%	0.16%	0.18%	0.27%	0.62%	1.05%	2.03%	2.76%	3.45%	4.34%
1/27/2011	0.13%	0.15%	0.17%	0.25%	0.59%	1.00%	1.98%	2.75%	3.42%	0.04%
1/28/2011	0.13%	0.15%	0.15%	0.24%	0.54%	0.96%	1.92%	2.66%	3.36%	4.26%
1/31/2011	0.15%	0.15%	0.17%	0.26%	0.58%	0.98%	1.95%	2.71%	3.42%	4.33%
Average of the 3 Month Yields					0.15%					
Selected Annual Investment Yield					1.00%					

Data from US Treasury website on daily yield curves as of January 2011.
Our intent is to invest in securities of this type since average claims for this program are expected to be fully paid out within 60-90 days of initial report of loss and policies are 12 months in term.

QBE Insurance Corporation

Personal Homeowners Multi-Peril Forms Filing Memorandum

January 31, 2011

Homeowners Program - Rhode Island

We are introducing a new program in the state of Rhode Island under the QBE Insurance Corporation. The initial forms filing is a duplicate filing of the Empire Fire and Marine Insurance Company's initial forms filing. We will utilize ISO filings H-2000-O00FR, H-2001-O01FR, HO-2004-OSPE1, HO-2008-OFRWE, and HO-2009-OHDE1 as well as the following company endorsements:

1. HO9398 1001 - Animal Liability Limitation
2. HO9399 1001 - Limitation For Mold And Other Fungi, And Wet Or Dry Rot, Damage
3. HO 9413 1104 - Homeowners Plus Package Endorsement
4. HO-DEC (698) - Policy Declarations

In addition the following forms have been attached for approval for use in the QBE Insurance Corporation Homeowners program:

1. HO 95 50 01 09 - Water Back Up And Sump Discharge Or Overflow

This endorsement revises ISO form HO 04 95 01 09, which covers losses from some types of water backup and sum pump discharge. The new form increases the amount of coverage from \$5,000 to \$7,500. Whereas the previous form used a fixed \$250 deductible, the new form will use the policy deductible. The limit provided on this form is in excess of the deductible.

2. HO 9411 0907 - Platinum Homeowners Package Endorsement

We have revised the Platinum Homeowners Package Endorsement from that of Empire. In the original Empire filing of this form, Items C. Special Deductible and D. Exception To Power Failure Exclusion were not included in the endorsement. The Refrigerated Property Coverage provided was intended to be identical to the ISO HO0498 1000. The Mortgage Protection Endorsement section has been revised in order to remove the termination provision, improve the readability of the coverage, and to clarify the conditions under which payment will be made. These revisions do not represent any material changes to this coverage.

3. HO 9412 0708 - Gold Homeowners Package Endorsement

The Mortgage Protection Endorsement section has been revised in order to remove the termination provision, improve the readability of the coverage, and to clarify the conditions under which payment will be made. This revision does not represent a material change to this coverage. Please see the revised form, HO9412 0708.

4. HO 95 23 11 05 – Catastrophe Protection: Additional Limits of Liability
5. PH RI 01 0511 - Important Notice Regarding Your Policy
6. HO-POLJKT-QI 1210 - Policy Jacket



**QBE Insurance Corporation
Homeowners Program
NAIC #: 0796-39217**

Response to 3/18/2011 Correspondence

- 1. QBE states that this filing is the initial forms/rate/rules filing for the homeowners program in Rhode Island. However, certain sections of the filing refer to a "previous" program, e.g., Page 2 of the Filing Memorandum, Item 3, and Exhibit 5 (reference to present rating factors). Please reconcile all such examples.**

QBE purchased Sterling National in 2009. Sterling National is an MGA which manages a Rhode Island Homeowners program underwritten by Empire Fire and Marine, a Zurich Company. With the purchase of Sterling, QBE intends to begin writing new business in Rhode Island within the QBE group. Therefore, the "previous" program reference has been updated to refer to the Empire program in the Filing Memorandum. However, in Exhibits 4 and 5, the data listed as "present" factors in these exhibits are from the current programs managed by Sterling as described in the Filing Memorandum. We used the entire data of the programs managed by Sterling to perform the GLM analysis to produce credible indicated rating factors.

- 2. In support of the proposed program, QBE states, "The rates and coverages offered for this program were developed based on the approved Empire Fire and Marine Insurance Company program's rate structure, with the addition of an insurance scoring rating variable." In this regard, provide a copy (including effective date and SERFF number) of the Empire program's manual rate/rule pages currently in effect in Rhode Island.**

The most current manual for the Empire Fire and Marine program is effective 1/1/2008 New Business and Renewals. This version of the manual was filed under SERFF#USPH-6MUTGX935 and is attached for your review.

- 3. Provide support for proposing base rates that are 10% above the rates of the approved Empire program in Rhode Island.**

Exhibit 6 changes based on the variables that are chosen; these are not base rates that are 10% higher. For example, currently the exhibit shows that QBE's rates are 10% above Empire's rates for a 20 year old home, 40 year old insured with underwriting group "O". If we change the variables to show a brand new home, 40 year old insured with underwriting group "L", the rates nearly match Empire's rates. See revised Exhibit 6.

- 4. Provide support for each of the remaining proposed rates and rating factors (including rates for endorsements) that are not in line with the Empire rate or rating factor, if not included in the filing.**

The rates for all the Miscellaneous ISO endorsements in the manual match those approved for Empire Fire and Marine's program. However, if there were any updates to the Loss Costs included in ISO circular LI-HO-2010-215, we incorporated those updates when selecting the QBE rates.

For example, for Rule 601 Residence Premises - Basic and Increased Limits for \$300,000/\$1,000 limits, the following rates are in effect:

Empire Rate	QBE Rate	Percent Change
26	28	7.7%

LI-HO-2001-103	LI-HO-2010-215	Percent Change
8.38	8.98	7.2%

Accounting for rounding, the only change in the rate from Empire to QBE is the change in the Loss Cost from the circular in effect for Empire to the current one being used for QBE.

5. How do the anticipated QBE expense ratios, profit, and investment income compare to those underlying the Empire Rates?

Keeping in mind that Sterling National was purchased by QBE the Americas, Inc., the expected expense ratios, profit and investment income are the same as those for the Empire Fire and Marine Rates.

6. Regarding the support for the proposed insurance score rating factors (Exhibit 3):

a) Explain why the GLM analysis does not reflect data more recent than 2007.

The analysis began in 2008 and was completed in 2009. Consequently, 2007 was the latest year available that was sufficiently developed to provide reliable data. We developed the data, took the time to analyze it and then have been proceeding with the filing process over the last fifteen months.

b) Provide support for each proposed factor that is higher than indicated by the GLM analysis.

The selected factors were chosen to smooth the GLM analysis factors into a more normalized curve.

c) Provide support for the proposed factor of 1.355 for Underwriting Groups X, Y, and Z.

We had to use available policy data for the GLM analysis, and this data had to be submitted to TransUnion to be retro-scored. Since the available policy data did not have social security numbers and since Sterling writes mainly newly purchased homes with recent property addresses, a large amount of policies could not be retro-scored. Therefore, we could not get reliable data on what would truly be no hit/no score insureds; we had no relevant data to establish factors. Consequently, we examined competitor filings and determined that a 1.355 factor was in line with what they were using for no hit/no score rating factors.

d) List all the rating variables considered in the GLM analysis.

As explained in the Filing Memorandum, all rating factors in all of the combined Sterling programs (Empire Fire and Marine Insurance Company, Empire Indemnity Insurance Company, Fidelity and Deposit Company of Maryland, Texas Select Lloyds Insurance Company and National Specialty Insurance Company) are considered in the GLM analysis. The data is combined premium and claims experience on 463,000 policies and \$322,000,000 in premium written.

7. Regarding the support for the proposed age of primary insured factors (Exhibit 4):

a) Explain why the GLM analysis does not reflect data more recent than 2007.

The analysis began in 2008 and was completed in 2009. Consequently, 2007 was the latest year available that was sufficiently developed to provide reliable data. We developed the data, took the time to analyze it and then have been proceeding with the filing process over the last fifteen months.

b) Provide support for each proposed factor that is higher than indicated by the GLM analysis.

The selected factors were chosen to smooth out the GLM analysis factors.

c) List all the rating variables considered in the GLM analysis.

As explained in the Filing Memorandum, all rating factors in all of the combined Sterling programs (Empire Fire and Marine Insurance Company, Empire Indemnity Insurance Company, Fidelity and Deposit Company of Maryland, Texas Select Lloyds Insurance Company and National Specialty Insurance Company) are considered in the GLM analysis. The data is combined premium and claims experience on 463,000 policies and \$322,000,000 in premium written.

8. Regarding the support for the proposed age of home factors (Exhibit 5):

a) Explain why the GLM analysis does not reflect data more recent than 2007.

The analysis began in 2008 and was completed in 2009. Consequently, 2007 was the latest year available that was sufficiently developed to provide reliable data. We developed the data, took the time to analyze it and then have been proceeding with the filing process over the last fifteen months.

b) Provide support for each proposed factor that is higher than indicated by the GLM analysis.

The selected factors were chosen to smooth the GLM analysis factors into a more normalized curve.

c) List all the rating variables considered in the GLM analysis.

As explained in the Filing Memorandum, all rating factors in all of the combined Sterling programs (Empire Fire and Marine Insurance Company, Empire Indemnity Insurance Company, Fidelity and Deposit Company of Maryland, Texas Select Lloyds Insurance Company and National Specialty Insurance Company) are considered in the GLM analysis. The data is combined premium and claims experience on 463,000 policies and \$322,000,000 in premium written.

9. If any of the proposed rate/rating factors are part of a countywide filing for QBE, provide the list of states where the proposed rates/rating factors a) have been approved as filed, b) have been approved with modifications, c) are pending, or d) have been disapproved.

- We have made filings in many states with these rating factors derived from this GLM analysis. New programs with these factors have been filed and approved as filed in AL, AZ, CO, GA, IA, ID, IL, IN, KS, KY, MN, MO, NJ, NV, NY, OH, OK, OR, PA, SC, SD, TX, UT, VT, VA and WI.
- None have been approved with modifications.
- The following states programs have been filed and are pending approval - MS, NE, NH, RI, TN, WV and WY
- None have been disapproved.

QBE Insurance Corporation
Personal Homeowners Multi-Peril
Memorandum
January 31, 2011

Homeowners Program - Rhode Island

We are introducing a new program in the state of Rhode Island. The Underwriting Guidelines for this program are based on the approved Fidelity and Deposit Company of Maryland program. There are no differences in eligibility rules between the Fidelity and Deposit Company of Maryland and the new QBE Insurance Corporation program except as detailed below.

The rates and coverages, however, are based on the approved Empire Fire and Marine Insurance Company program. There are no differences in rates or coverages between the Empire Fire and Marine Insurance Company and the new QBE Insurance Corporation program except as detailed below.

In order to protect individual privacy and the proprietary nature of the company's work, we request that Exhibits 1 and 3 be treated as confidential and not be released to third parties.

1. Introduction of Underwriting Group/Age Group Rating Factor

The Underwriting Groups are composed of ranges of scores as defined in Exhibit 1. The applicable scoring model is the TransUnion Insurance Risk Score – Property Model. We have included a copy of the model specification with this filing.

The rating factors for the Underwriting Group / Age of Insured Rating Factors included in Exhibit 2 were derived from the multivariate data analysis described below.

Principle 4 of the Casualty Actuarial Society's Statement of Principles - regarding property and casualty insurance ratemaking states that: "A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer." Accordingly we have used a multivariate analysis in order to determine first whether the rating variables are related to the risk of loss and then to determine the appropriate rating relativities for those factors which have been utilized. The multivariate procedures as described herein are considered "state of the art" rate classification actuarial techniques and are in accordance with "generally accepted actuarial procedures".

The data used in this multivariate analysis consisted of the experience on all the business managed by Sterling National Corporation written under the Empire Fire and Marine Insurance Company, the Empire Indemnity Insurance Company, the Fidelity and Deposit Company of Maryland, the Texas Select Lloyds Insurance Company, and the National Specialty Insurance Company programs from 2004 through 2007. These policies were retro-scored by TransUnion using the TransUnion Risk Score – Property Model. The data included the premium and claims experience on 463,000 policies and \$322,000,000 in premium written during this period.

The analysis underlying this filing was undertaken by Pinnacle Actuarial Resources, Inc. of which the project team consisted of four Fellows of the Casualty Actuarial Society (FCAS).

The proposed rating factors are based on indications generated utilizing Generalized Linear Models containing all the rating variables. The process of generating Generalized Linear Models creates rating factors that, when taken as a whole, best fit the observed differences in experience. Thus, the relativities for the non-credit rating variables do not reflect any differences explained in the relativities for the credit rating variable. Similarly, the relativities for the credit rating variable do not reflect any differences explained in the relativities for the non-credit rating variables. Such duplication or overlap would diminish the overall fit, leading the model generation process to reject the scenario as less than optimal.

The indications produced by the multivariate analysis and the selected factors for Credit Score and Insured Age are presented in Exhibits 3 and 4, respectively.

Other than the introduction of Credit Score and Insured Age, the only other rating factors that differ from those found in the approved Empire Fire and Marine Insurance Company program are the Age of Home Factors. These factors replace the New Home Discount used in the Empire program and are based on the results of the multivariate analysis. These results are included in attached Exhibit 5.

2. Base Rates

The Territory Base Rates were established in order to produce rates that would match, on average, the rates of the approved Empire Fire and Marine Insurance Company in each territory for the insured characteristics specified in revised Exhibit 6.

3. Added High Dollar Deductible Options.

In the Empire Fire and Marine program, we offered \$500, \$1,000, and \$2,500 All Perils deductible options. Because we are increasing our maximum Coverage A amount in the QBE program, we are also introducing new High Deductible Options of \$5,000, \$7,500, and \$10,000. These High Deductibles are optional, and cannot be combined with Wind/Hail deductibles.

4. Simplified the Protective Devices Rule.

Current Empire Fire and Marine Protective Devices Credits:

<u>Type of Installation</u>	<u>Factor</u>
Central station reporting burglar alarm	0.05
Central station reporting fire alarm	0.05
Police station reporting burglar alarm	0.03
Fire department reporting fire alarm	0.03
Local burglar and/or fire alarm	0.02
Automatic sprinklers - in all areas with central station fire alarm	0.13
Automatic sprinklers - in all areas with fire detector	0.08

New QBE Protective Devices Credits:

<u>Type of Installation</u>	<u>Factor</u>
Monitored burglar alarm	0.05
Monitored fire alarm	0.05
Local fire alarm	0.02
Automatic Sprinklers	0.08

The above credits are additive, however, if both Local and Monitored Fire Alarms are selected, the Monitored credit will override the Local credit. The policy does not get both. For example, if Local Fire and Monitored Fire are selected, the credit is 5%.

5. Minimum Premium Rule Revised.

The Minimum Premium Rule has been revised from that of the Empire Fire and Marine program's to allow for an adjustment to total premium results under \$200. The \$200 minimum is pro-rated in the event of a mid-term policy cancellation. This rule is to account for the basic expenses incurred during the process of issuing a policy.

6. Addition of a Builder Credit.

For accredited builders defined as builders that build 3,000 homes per year nationally or 500 homes per year in a single state and are recognized for their willingness to stand behind their product, we experience a reduction in the claims frequency. We feel it necessary to reflect this reduced cost in a credit for accredited builders. Hence, we are offering a builder credit.

7. Addition of an Affinity Credit.

Through approved financial institutions we experience a reduction in acquisition costs that should be reflected in the price the customer pays for our policy. We are therefore offering an affinity credit to meet this savings that should be passed along to the customer.

8. Addition of the Catastrophe Coverage at no additional cost to all HO 00 03 policies.

We are introducing the HO9523 Catastrophe Endorsement. Despite the best intentions of the company, agent, and homeowner, it is possible that demand surge and reconstruction delays associated with a catastrophe may leave a homeowner with uncovered losses. In order to protect homeowners, we request approval to introduce this endorsement, which will provide additional limits of protection for Coverage A, B, and/or D in the event of a catastrophe.

9. New Water Back Up and Sump Discharge or Overflow Endorsement.

Our independent coverage differs from the approved ISO coverage, by increasing the maximum amount of coverage to \$7,500 from \$5,000 and changes the special deductible from \$250 to the policy deductible.

10. Addition of a Tiered Multi-Policy Credit

Primary residence policyholders who have a private passenger automobile policy written through qualified agents with a partner company will receive a credit of 5% of the subtotal homeowners policy premium. For the purposes of the Multi-Policy Credit, the partner company has entered into an arrangement with Sterling National Insurance Agency, Inc. in order to administer and manage a comprehensive selection of personal lines products.

In addition, residence policyholders who have a private passenger auto policy written through an affiliate of our parent company, QBE the Americas, Inc. by the same agency will receive a credit of 10% of the subtotal homeowners policy premium. By way of background, Sterling National Corporation is the nationwide program manager for the QBE Insurance Corporation homeowners program. Only policyholders who purchased a private passenger automobile policy through qualified agents are eligible for this credit.

11. Underwriting Guidelines Differences from Fidelity and Deposit's Program

Homes with more than two mortgages are eligible for the QBE Insurance Corporation program.

The following have been added to Ineligible Animal Exposures:

1. More than two dogs
2. The following dog breeds are unacceptable (pure breed or mixed breed):
 - a. Pitbulls
 - b. Rottweilers
 - c. Dobermans
 - d. German Shepherd
 - e. Wolf hybrids
 - f. Chows
3. The following animals must receive underwriter approval before coverage can be bound:
 - a. Working class dog breeds (cattle dogs, herding dogs, etc.)
 - b. Dogs with aggressive tendencies (like Akita, English Bulldog, Great Dane, Siberian Husky, Boxer, etc.)
 - c. Dogs over 60 pounds
4. Farm animals and Exotic Pets are ineligible.

**EMPIRE FIRE AND MARINE
INSURANCE COMPANY**

RHODE ISLAND

PREFERRED AND STANDARD HOMEOWNERS PROGRAM

STATE EXCEPTION MANUAL

100. INTRODUCTION**A. About the Homeowners Manual**

The Homeowners Policy Program provides property and liability coverage, using only the HO 00 03 forms and endorsements, rules and classifications specified in:

1. The Countrywide ISO Homeowners Policy Program Manual, General Rules, 1st Edition 10-00,
2. State exceptions to the ISO Countrywide manual in the Homeowners Policy Program Manual – Rhode Island Rules, Notice HO-RI-2003-RU-003, Edition 5-03, and
3. Exceptions to the ISO Rhode Island Rules in this manual, the Empire Fire and Marine Insurance Company Homeowners Program, State Exception Manual.

B. Manual Structure

This manual contains:

1. A description of the Empire Fire and Marine Insurance Company (herein referred to as Company) Homeowners Program, including Program minimums and maximums for Section I – Property Damage, and Section II – Liability coverages,
2. Tiering Guidelines, and
3. Company State Rule and Rate Exceptions to the ISO state exceptions manual.

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The standard coverages required under the HO 00 03 Homeowners policy are as follows:

Coverage	Minimum	Maximum
A – Dwelling	\$40,000	\$400,000 (up to \$750,000 with advance written approval from underwriting)

Coverage	Standard Amount
B – Other Structures	10% of Coverage A
C – Personal Property	50% of Coverage A
D – Additional Living Expense	30% of Coverage A

Section II – Liability

Coverage	Standard Amount
E – Personal Liability	\$100,000 per occurrence
F – Medical Payments	\$1,000 per person

Insurance to Replacement Cost	100%
Liability Options (varies by state)	\$100,000, \$300,000, \$500,000
Medical Payments Options	\$1000, \$2000, \$5000
Deductibles (all-perils)	\$500, \$1000, \$2500

Wind/Hail deductibles are also available as a percentage deductible of 1%, 2%, or 5% of Coverage A.

B. Increased limits availability

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure. The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

Definitions**Exotic pets:**

Includes snakes, big cats, wolves, wolf cross breeds, ostriches, monkeys and other non-domestic animals, and some rare or unusual types of fish and birds.

Chargeable Claim:

Any loss where we have made a payment or established a reserve in anticipation of making a payment.

Chargeable claims exclude where weather was the primary cause of loss.

Property claims on prior residences will not be counted as chargeable

Construction types

Frame – Exterior walls of wood or other combustible construction, including wood iron-clad, stucco on wood, hardi-plank or plaster on combustible supports, aluminum or vinyl over a frame.

Masonry Veneer – Exterior walls of combustible construction veneered with brick or stone on at least three full sides.

Masonry/Brick – Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, tile, stone or similar materials. Floors of wood or other combustible construction.

Occupancy Types**Seasonal and Secondary**

A **seasonal home** is a second home typically used by the policyholder as a vacation home on a yearly basis. They are customarily occupied for a certain period of time each year and then vacant for the remainder of the year (i.e., - Seasonal use.) A common characteristic of these properties is that the home is not located in close proximity to insured's primary residence

A **secondary home** is one that the policyholder will visit frequently throughout the year. An example would be a cabin in the mountains or a lake house that the policyholder goes to on the weekends throughout the year. Although this home is vacant in between these visits, the occupancy of the secondary home is throughout the year, and not just for a specific time period (or season) of each year.

Row house / Town house / Duplex, etc

A dwelling with more than one residence sharing a common wall

Dwelling under construction/major renovation

Home being built for first time, or dwelling with a new addition or floor being added.

Dwelling under minor renovation

Dwelling where residing, re-roofing, exterior painting or interior appearance improvements such as new carpet, wall paper, or painting, are occurring.

Replacement Cost

Replacement Cost as defined by the policy is "...the cost to repair or replace, after application of any deductible and without deduction for depreciation with material of like kind and quality and for like use..."

The replacement cost of a dwelling to be insured can be determined

- Through the use of an acceptable square foot residential valuation system, such as those provided by Marshall/Swift & Boeckh, and must include the cost of the contractor's overhead and profit.
- Through submission of a detailed analysis by a licensed builder/contractor that has been obtained within the past 12 months.

Replacement cost is not the mortgage amount. Policies written in this program must carry a dwelling limit (Coverage A) equal to at least 100% of the estimated total replacement cost of the house. All requests for coverage above 125% of the estimate replacement value will be submitted and approved by underwriting prior to binding or issuance of the coverage.

M. Tiering Eligibility Guidelines

Item	Item Characteristic	Preferred Tier	Standard Tier
Chargeable claims (for New Business only)	0	A	A
	1	U	A
	2 or more	U	U
Effective Age of Residence	30 years or newer (Renewal), 25 years or newer (New Business)	A	A
	55 years or newer (Renewal), 50 years or newer (New Business)	U	A
Protection Class	1 through 6	A	A
	7 or 8	U	A
	9 or higher	U	U
Number of Families	Single Family	A	A
	2 family duplex with one unit owner occupied	U	A

A = Acceptable

U = Unacceptable

106. PROTECTION CLASSIFICATION CODES AND INFORMATION

The following additional Company PPC codes are added to this rule

Company PPC Class	Company PPC Class Criteria	Rate using ISO PPC
A	Home within 1,000 ft. of nearest fire hydrant and 5 miles of responding fire department	5
B	Home over 1,000 ft. from nearest fire hydrant <u>but</u> within 5 miles of responding fire department	9
C	All other	10

The Company class will be converted to the ISO class upon renewal. The corrected classification may result in a premium increase. The possible premium increase due to a corrected PPC will be capped at the larger of 25 percent or one PPC code change.

For example if the policy is rated using a PPC 5 and the correct PPC is 10 then the increase will be capped at the greater of 25% or the increase of changing to a PPC code of 6.

The correct ISO classification must be 1-6 for Preferred or 1-8 for Standard. Higher classifications will be ineligible for coverage.

205. MINIMUM PREMIUM

- A. For prepaid policies, a minimum annual premium of \$50 per policy applies.

207. WAIVER OF PREMIUM

Additional or return premiums of less than \$10 will be waived. Return premiums of \$10 or less will be returned at the insured's request.

301. BASE PREMIUM COMPUTATION

- 1. Coverage A Amount _____
- 2. Base Rate = _____
- 3. Form Factor (HO-3 or HO-8) x _____
- 4. Protection/Construction Factor x _____
- 5. Key Factor x _____
- 6. Claim Factor (1 + Table Entry) x _____
- 7. **Base Premium** = _____
(Dollar Rounded)
- 8. Ordinance or Law - HO 00 03 Option
Base Premium (Line 7) x (rate) = _____
(Dollar Rounded)
- 9. Deductible Credit or Surcharge
Base Premium (Line 7) x (1 - Deductible Factor) = _____
(Subject to maximum credits listed in manual) (Dollar Rounded)
- 10. **Adjusted Base Premium (7 + 8 - 9)** = _____

Common Endorsments and Premium Adjustments

- 11. New Purchase Discount
Premium (Line 7) = _____
New Purchase Factor x _____
Credit Premium = _____
(Dollar rounded)
- 12. New Home *
Premium (Line 7) = _____
New Home Factor x _____
Credit Premium = _____
(Dollar rounded)
- 13. Renovated Home Discount *
Premium (Line 7) = _____
Renovated Home Factor x _____
Credit Premium = _____
(Dollar rounded)

* (Subject to New Purchase/New Home/Renovated Home Maximum)

- 14. Protective Devices Discount **
Premium (Line 7) = _____
Protective Devices Factor x _____
Credit Premium = _____
(Dollar rounded)

** Note: New Loan, New Home/Renovated Home and Protective Devices discounts are subject to Maximum Policy Credit

- 15. Homeowner Package Endorsement
(Line 10) times Package percent rate = _____
(Dollar rounded)
- 16. Residence Premises Basic or Increased Liability Rate
Selected Liability Limit = _____
Selected Medical Payments Limit = _____
Liability Portion Loss Cost = _____
Medical Payments Loss Cost + _____
Total Liability/Med Pay Loss Cost = _____
Optional Coverage & Endorsement LCM x _____
Residence Premises Liability Premium = _____
(Dollar rounded)

- 17. **Subtotal Policy Premium:**
10 - 11 - 12 -13 - 14 + 15+ 16 = _____

Other Property Endorsements:

Refer to manual for rating of individual endorsements

- 18. Actual Cash Value Loss Settlement:
Windstorm or Hail Losses to Roof Surfacing = _____
- 19. Mine Subsidence Coverage-Flat Rate = _____
- 20. Loss Settlement Options = _____
- 21. Town or Row House = _____
- 22. Cov C Replacement Cost = _____
- 23. Additional Amounts of Insurance: Specified
Additional Amount of Insurance for Coverage A Only = _____
- 24. Business Property – Increased Limits = _____
- 25. Credit Card, Fund Transfer Card, Forgery
and Counterfeit Money = _____
- 26. Fire Department Service Charge = _____
- 27. Permitted Incidental Occupancies
Residence Premises Property Coverage = _____
- 28. Loss Assessment Coverage = _____
- 29. Loss of Use = _____
- 30. Other Structures = _____
- 31. Personal Property = _____
- 32. Scheduled Personal Property = _____
- 33. Rental to Others – Theft Coverage = _____
- 34. Special Computer Coverage = _____
- 35. Water Back Up and Sump Overflow = _____
- 36. Dwelling Under Construction-Flat Rate = _____

- 37. **Total Other Property Endorsements
(Sum of Lines 18 through 36)** = _____

Optional Liability Endorsements:

Selected Limit of Liability and Medical Payments must be the same as limit selected in Line 16.

- 38. Other Insured Location Occupied by Insured = _____
- 39. Additional Residence Rented to Others = _____
- 40. Incidental Motorized Land Conveyances = _____
- 41. Incidental Farming Personal Liability = _____
- 42. Watercraft = _____

- 43. **Total Liability Endorsement Premiums
(Sum of Line 38 through 42)** = _____

- 44. **Subtotal:**
Line 17 + Line 37 + Line 43 _____
- 45. a) Occupancy Charge
Line 45 *10% = _____
b) Landlord's Endorsement
Line 45 * 1% = _____
- 46. Commissionable Policy Premium
Line 44 + Line 45 = _____
- 47. Policy Fee (see manual) _____
- 48. Local Taxes and Assessments
if applicable _____
- 49. State Assessments and Surcharges
if applicable _____
- 50. **Total Policy Premium**
Sum Lines 46 through 49 _____

CLASSIFICATION TABLES

a. Classification Tables

(1) Form Factors

Form HO 00 03	1.00
Form HO 00 08	1.25

(2) Protection - Construction Factors

Territories 30, 31

Prot. Class	Construction*	
	Frame	Masonry
All	1.00	0.90

Territories 32-34

Prot. Class	Construction*	
	Frame	Masonry
1-6	1.00	0.90
7-8	1.20	1.00
9	1.30	1.20
10	1.50	1.40

* Masonry Veneer is rated as Masonry.

Aluminum or Plastic Siding over Frame is rated as Frame

KEY FACTOR TABLES

HO 00 03

Amount of Insurance	Factor	Amount of Insurance	Factor	Amount of Insurance	Factor
\$10,000	0.648	\$ 68,000	0.887	\$165,000	1.409
12,000	0.649	70,000	0.907	170,000	1.448
14,000	0.650	72,000	0.913	175,000	1.490
16,000	0.651	74,000	0.920	180,000	1.531
18,000	0.652	76,000	0.925	185,000	1.574
20,000	0.653	78,000	0.929	190,000	1.617
22,000	0.655	80,000	0.933	195,000	1.661
24,000	0.656	82,000	0.939	200,000	1.705
26,000	0.658	84,000	0.945	205,000	1.749
28,000	0.661	86,000	0.951	210,000	1.793
30,000	0.663	88,000	0.956	215,000	1.838
32,000	0.668	90,000	0.962	220,000	1.882
34,000	0.673	92,000	0.970	225,000	1.926
36,000	0.678	94,000	0.977	230,000	1.969
38,000	0.684	96,000	0.985	235,000	2.014
40,000	0.690	98,000	0.992	240,000	2.059
42,000	0.699	100,000	1.000	245,000	2.104
44,000	0.708	105,000	1.023	250,000	2.149
46,000	0.717	110,000	1.045	255,000	2.194
48,000	0.728	115,000	1.072	260,000	2.239
50,000	0.738	120,000	1.098	265,000	2.284
52,000	0.752	125,000	1.128	270,000	2.329
54,000	0.765	130,000	1.157	275,000	2.374
56,000	0.780	135,000	1.190	280,000	2.419
58,000	0.795	140,000	1.222	285,000	2.464
60,000	0.811	145,000	1.258	290,000	2.509
62,000	0.829	150,000	1.293	295,000	2.554
64,000	0.847	155,000	1.331	300,000	2.599
66,000	0.866	160,000	1.369		
				Each Additional 1,000	0.009

BASE RATES

HO 00 03

Territory	Standard	Preferred
30(B)	\$535	\$535
31(C)	\$609	\$609
32	\$486	\$486
33	\$494	\$494
34	\$546	\$546

(B) In Territory 30, City of Providence, Base Class is Protection 2, Frame Construction.

(C) In Territory 31, Cities of Cranston, East Providence and Pawtucket, Base Class is Protection 2-4, Frame Construction.

Base Rate is at \$100,000 Coverage A and an All Perils Deductible of \$1,000.

ISO Circular LI-HO-2001-203, effective 04/01/02, adopted 04/01/02, adjusted to a \$1,000 base deductible 10/01/05.

OPTIONAL COVERAGES AND ENDORSEMENTS

The Loss Costs shown in the current Miscellaneous ISO Loss Cost Circular apply unless otherwise indicated in these State Exception Pages. Multiply all Miscellaneous Loss Costs by the following Loss Cost Multiplier.

ALL Forms3.080

CREDITS

NEW LOAN DISCOUNT (DOES NOT APPLY TO OPTIONAL COVERAGES)

Newly purchased homes insured on a **HO0003** are eligible for the following credit applied to base premium. This credit does not apply to re-financed homes.

1 st year	10%
2 nd year.....	7%
3 rd year	3%
Over 3 years.....	0%

NEW HOME DISCOUNT (DOES NOT APPLY TO OPTIONAL COVERAGES)

Homes insured on a **HO0003** that are less than 11 years old are eligible for the following credit applied to base premium.

Dwelling Age	Credit
0	20%
1	18%
2	16%
3	14%
4	13%
5	12%
6	10%
7	8%
8	6%
9	4%
10	2%

The maximum combined credit allowable for New Loan and New Home is 25%.

RENOVATED HOMES (DOES NOT APPLY TO OPTIONAL COVERAGES)

Homes insured on a **HO0003** that are over 10 years of age that have had their electrical (junction box & all wiring replaced); heating (central unit replaced); and/or plumbing (replaced with copper and/or new PVC) system(s) completely renovated or have had their roofs replaced within the past 10 years are eligible for the following credit to the base premium.

Age of Improvement	New Electrical System	New Heating System	New Roof	New Plumbing System	Maximum ALL Combined
0	8%	8%	5%	5%	20%
1	8%	8%	5%	5%	18%
2	7.5%	7.5%	4.5%	4.5%	16%
3	7%	7%	4.5%	4.5%	14%
4	6.5%	6.5%	4%	4%	13%
5	6%	6%	4%	4%	12%
6	5%	5%	3.5%	3.5%	10%
7	4%	4%	3%	3%	8%
8	3%	3%	3%	3%	6%
9	2%	2%	2%	2%	4%
10	1%	1%	1%	1%	2%

The maximum combined credit allowable for New Loan and Renovated Home is 25%.

CLAIM FACTOR (DOES NOT APPLY TO OPTIONAL COVERAGES)

Consecutive Years	Number of Qualified claims				
	0	1	2	3	4+
0 - 2	0%	+10%	+30%	+55%	+85%
3 - 5	-5%	+5%	+30%	+55%	+85%
6 - 8	-10%	0%	+25%	+55%	+85%
9+	-10%	-10%	+10%	+45%	+85%

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last 3 years (ending 3 months prior to the current renewal effective date). A qualified claim is considered to be any non-catastrophe or non-weather related claim which results in a net paid loss during this 3 year period. Losses which only have payments under Medical Payments coverage are also NOT considered to be qualified claims.

The number of qualified Section I (Property Coverages) claims may be reduced or eliminated with the selection of a higher deductible. All claims that would not have applied if this higher deductible had been in force at the time of the claim are removed from the total qualified claim count.

The number of qualified Section II (Liability) claims may be reduced or eliminated with the elimination of the coverage under which the claim was made or exposure which caused the claim.

OCCUPANCY CHARGE

An occupancy charge of 10% will be applied to all policies where the insured property is not the primary residence.

MAXIMUM POLICY CREDIT – ALL FORMS

The maximum credit applying to all Homeowners policies is 35%.

The maximum policy credit does not include the Claim Factor or deductible credits.

404. PROTECTIVE DEVICES

The following factors replace the ISO factor ranges:

Type of Installation	Factor
Central station reporting burglar alarm.....	5%
Central station reporting fire alarm.....	5%
Police station reporting burglar alarm	3%
Fire department reporting fire alarm	3%
Local burglar and/or fire alarm	2%
Automatic sprinklers	
In all areas with central station fire alarm	13%
In all areas with fire detector	8%

406. DEDUCTIBLES

The entire deductible section is deleted and replaced by the following:

Deductible	All Perils	Including Wind/Hail Percentage Deductible of		
		1%	2%	5%
Coverage A between \$0 and \$124,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	N/A	0.91	0.87
\$2,500	0.90	N/A	N/A	0.77
Coverage A between \$125,000 and \$249,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	0.95	0.90	0.87
\$2,500	0.90	N/A	0.78	0.77
Coverage A over \$249,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	0.95	0.90	0.87
\$2,500	0.90	0.79	0.73	0.71

505. EARTHQUAKE

This section is deleted in its entirety.

506. FIRE DEPARTMENT SERVICE CHARGE

\$1,000 maximum

Rate per \$100 of increase \$3.00

509. HOME DAY CARE COVERAGE

This section is deleted in its entirety.

515. PERSONAL PROPERTY

- D. Increased Special Limits of Liability**
 - 3. Silverware**
Rate per \$500 of increase..... \$2.00
 - F. Theft Coverage Increase – HO0008**
This coverage is not available.

516. PERSONAL PROPERTY - SCHEDULED

CLASS OF PROPERTY	RATE PER \$100	MAXIMUM LIMIT
JEWELRY	\$1.25	\$25,000
FURS	\$.70	\$25,000
SILVERWARE	\$.60	\$25,000
FINE ARTS	\$.25	\$25,000
CAMERAS	\$1.65	\$25,000
MUSICAL INSTRUMENTS	\$.55	\$25,000

Limits in excess of \$15,000 per item must be submitted for approval prior to any coverage being bound.

Individual items valued between \$1,000 and \$4,999 require an appraisal that is less than 5 years old. Individual items valued at \$5,000 or more require a current appraisal.

The maximum insured value for scheduled items is \$100,000 in aggregate for all classes. Scheduled items totaling \$50,000 or more require prior underwriting approval.

518. SINKHOLE COLLAPSE COVERAGE

This section is deleted in its entirety.

520. LIVESTOCK COLLISION COVERAGE

This section is deleted in its entirety.

HOME BUSINESS INSURANCE COVERAGE

This section is deleted in its entirety.

603. RESIDENCE EMPLOYEES

This section is deleted in its entirety.

607. HOME DAY CARE COVERAGE

This section is deleted in its entirety.

614. FARMERS PERSONAL LIABILITY

This section is deleted in its entirety.

DWELLING UNDER CONSTRUCTION

Eligibility – HO0003 only

Insurance to Value Requirements

- a. Coverage A must meet minimum program requirements.
- b. The required amount of Coverage A is 100% of the completed value of the dwelling.

Occupancy

- a. Dwelling must be owner-occupied upon completion.
- b. Additional Insureds are not permitted.
- c. The named insured is limited to an individual or spouse, if residents of the same household.

Policy Term

Coverage under this endorsement will apply for the shortest of the following time periods:

- a. until the property is occupied as a dwelling; or
- b. until twelve months following the inception date of this policy.

Premium

In addition to the premium developed based on 100% of the completed value, an additional premium of **\$50** is added. There will be no refund of premium if this endorsement is canceled.

Policy surcharges and credits do not apply to the above fully earned premium.

Use endorsement **HO9090**–Dwelling Under Construction

LANDLORD’S ENDORSEMENT

When the property is not owner-occupied and is regularly rented or held for rental to others, this endorsement must be added. This endorsement amends the HO-3 policy to provide a base limit of \$5,000 of Coverage C Personal Property Coverage, a base limit of Coverage D Loss of Use of 30% of the Coverage A limit of liability, and limits liability and medical payments coverage to those losses that occur on the property. Increased Coverage C limits are available for an additional premium. If this endorsement is added, only optional endorsements HO0410, HO0416, HO0420, HO0435, HO0448, HO0477, HO0490, and HO0495 are available.

% of premium..... 1% (see Rule 301.)

Use endorsement HO9518–Landlord’s Endorsement

PAYMENT PLAN

- 1. Mortgagee Bill
- 2. Direct Bill

	Down Payment Required	Number of Remaining Installments	Installment Charge (per installment)
Full pay	100%	--	--
2 pay	50%	1	\$7
3 pay	40%	2	\$7
4 pay	25%	3	\$7
6 pay	25%	5	\$7
9 pay	25%	8	\$7

POLICY FEES

New Business\$35
Renewals\$17

HOMEOWNERS PACKAGE ENDORSEMENTS

PLATINUM PACKAGE(HO0003 ONLY)

Available only with:

Preferred - \$ 500 Minimum Deductible
Standard - \$1,000 Minimum Deductible or 1% wind/hail

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 50% of Coverage A
Replacement Cost – Unscheduled Personal Property
Coverage C limit increased to 70% of Coverage A
Coverage D limit increased to 40% of Coverage A
Increased Special Limits as shown in the form
Mortgage Protection - the insured's mortgage payment on a first trust deed or mortgage on the insured dwelling will be paid, up to \$1,500 per month for up to 12 months, when the home remains uninhabitable 90 days after a covered loss.

Refrigerated Property Coverage – the insured's covered property stored in a freezer or refrigerator on the residence premises will be covered up to \$500 for loss due to loss of power or mechanical failure.

Lock Replacement – reasonable expenses will be covered to re-key the insured's exterior locks when the keys to those locks are a part of a covered theft loss.

Cost is based on % of Adjusted Base Premium

Standard Program	45.0%
Preferred Program (dwelling age over 8 years).....	45.0%
Preferred Program (dwelling age 0 – 8 years).....	45.0%

Use endorsement **HO9411**–Platinum Homeowners Package Endorsement

GOLD PACKAGE - (HO0003 ONLY)

Available only with:

Preferred – open to all deductible
Standard - \$500 Minimum Deductible

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 30% of Coverage A
Replacement Cost – Unscheduled Personal Property
Coverage C limit increased to 65% of Coverage A
Coverage D limit increased to 35% of Coverage A
Increased Special Limits as shown in the form
Mortgage Protection - the insured's mortgage payment on a first trust deed or mortgage on the insured dwelling will be paid, up to \$1,500 per month for up to 12 months, when the home remains uninhabitable 90 days after a covered loss.

Cost is based on % of Adjusted Base Premium

Standard Program	34.0%
Preferred Program (dwelling age over 8 years).....	34.0%
Preferred Program (dwelling age 0 – 8 years).....	34.0%

Use endorsement **HO9412**–Gold Homeowners Package Endorsement

PLUS PACKAGE - (HO0003 ONLY)

Available only with:

Deductibles – Open to all

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 15% of Coverage A
Replacement Cost – Unscheduled Personal Property
Coverage C limit increased to 60% of Coverage A
Increased Special Limits as shown in the form

Cost is based on % of Adjusted Base Premium

Standard Program	19.0%
Preferred Program (dwelling age over 8 years).....	19.0%
Preferred Program (dwelling age 0 – 8 years).....	19.0%

Use endorsement **HO9413**– Homeowners Plus Package Endorsement

TERRITORY DEFINITIONS

NOTE: NEW POSTAL DEFINITIONS WILL FOLLOW THE TERRITORY OF THE FORMER ZIPCODE ASSIGNMENT.

ZIP	City	County	Terr
02801	Adamsville	Newport	34
02802	Albion	Providence	32
02804	Ashaway	Washington	34
02806	Barrington	Bristol	34
02807	Block Island	Washington	34
02807	New Shoreham	Washington	34
02808	Bradford	Washington	34
02809	Bristol	Bristol	34
02812	Carolina	Washington	34
02812	Richmond	Washington	34
02813	Charlestown	Washington	34
02814	Chepachet	Providence	32
02815	Clayville	Providence	32
02816	Coventry	Kent	33
02817	West Greenwich	Kent	33
02818	East Greenwich	Kent	33
02822	Escoheag	Washington	34
02822	Exeter	Washington	34
02823	Fiskeville	Providence	32
02824	Forestdale	Providence	32
02825	Foster	Providence	32
02826	Glendale	Providence	32
02827	Greene	Kent	33
02828	Greenville	Providence	32
02829	Harmony	Providence	32
02830	Harrisville	Providence	32
02830	Burrillville	Providence	32
02831	Hope	Providence	32
02832	Hope Valley	Washington	34
02832	Richmond	Washington	34
02833	Hopkinton	Washington	34
02835	Jamestown	Newport	34
02836	Kenyon	Washington	34
02836	Richmond	Washington	34
02837	Little Compton	Newport	34
02838	Manville	Providence	32
02839	Mapleville	Providence	32
02840	Newport	Newport	34
02841	Newport	Newport	34
02842	Middletown	Newport	34
02852	North Kingstown	Washington	34
02854	North Kingstown	Washington	34
02857	Scituate	Providence	32
02857	North Scituate	Providence	32
02858	Oakland	Providence	32
02859	Pascoag	Providence	32

ZIP	City	County	Terr
02860	Pawtucket	Providence	31
02861	Pawtucket	Providence	31
02862	Pawtucket	Providence	31
02863	Central Falls	Providence	32
02864	Valley Falls	Providence	32
02864	Cumberland	Providence	32
02865	Lincoln	Providence	32
02871	Portsmouth	Newport	34
02872	Prudence Island	Bristol	34
02873	Rockville	Washington	34
02874	Saunderstown	Washington	34
02875	Shannock	Washington	34
02875	Richmond	Washington	34
02876	Slatersville	Providence	32
02877	Slocum	Washington	34
02878	Tiverton	Newport	34
02879	Peace Dale	Washington	34
02879	South Kingstown	Washington	34
02879	Wakefield	Washington	34
02879	Narragansett	Washington	34
02880	Wakefield	Washington	34
02881	Kingston	Washington	34
02882	Narragansett	Washington	34
02882	Point Judith	Washington	34
02883	Peace Dale	Washington	34
02883	South Kingstown	Washington	34
02885	Warren	Bristol	34
02886	Warwick	Kent	33
02887	Warwick	Kent	33
02888	Warwick	Kent	33
02889	Warwick	Kent	33
02891	Westerly	Washington	34
02892	Richmond	Washington	34
02892	West Kingston	Washington	34
02893	West Warwick	Kent	33
02894	Wood River Junction	Washington	34
02895	Woonsocket	Providence	32
02896	North Smithfield	Providence	32
02898	Richmond	Washington	34
02898	Wyoming	Washington	34
02901	Providence	Providence	30
02902	Providence	Providence	30
02903	Providence	Providence	30
02904	Providence	Providence	30
02904	North Providence	Providence	32
02905	Providence	Providence	30

ZIP	City	County	Terr
02905	Cranston	Providence	31
02906	Providence	Providence	30
02907	Providence	Providence	30
02907	Cranston	Providence	31
02908	Providence	Providence	30
02908	North Providence	Providence	32
02909	Providence	Providence	30
02910	Providence	Providence	30
02910	Cranston	Providence	31
02911	North Providence	Providence	32
02911	Providence	Providence	30
02912	Providence	Providence	30

ZIP	City	County	Terr
02912	Brown Station	Providence	32
02914	East Providence	Providence	31
02915	Riverside	Providence	32
02916	Rumford	Providence	32
02917	Smithfield	Providence	32
02918	Friar Station	Providence	32
02918	Providence	Providence	30
02919	Johnston	Providence	32
02919	Providence	Providence	30
02920	Cranston	Providence	31
02921	Cranston	Providence	31
02940	Providence	Providence	30

QBE Insurance Corporation
Personal Homeowners Multi-Peril
Exhibit 6

Rate Elements:

Coverage A (Dwelling):	\$200,000
Coverage B (Other Structures):	10%
Coverage C (Personal Property):	70%
Coverage D (Loss of Use):	40%
Coverag E (Liability):	\$100,000
Coverag F (Med Pay):	\$1,000
Extended Replacement Cost:	50%
Repl. Cost on Personal Property:	Yes
Year Built:	2011
Construction Type:	Frame
Protection Class:	5
Deductible:	\$1,000
Age of Loan:	0
Fire Alarm:	Local Fire
Affinity Credit:	Included
Multi-Policy Credit:	5%
Homeowners Package:	Platinum
Underwriting Group:	L
Age of Insured:	40

Territory	Empire Rate	QBE Rate	Percent Change
30	1,113	1,117	0.4%
31	1,259	1,268	0.7%
32	1,012	1,014	0.2%
33	1,029	1,033	0.4%
34	1,133	1,140	0.6%

QBE Insurance Corporation Homeowners Program

Response to 4/7/2011 Correspondence

1. **QBE states "The Territory Base Rates were established in order to produce rates that would match, on average, the rates of the approved Empire Fire and Marine Insurance Company in each territory for the insured characteristics specified in Revised Exhibit 6." In this regard, confirm whether or not the sample risk included in Exhibit 6 comprises the majority of business expected to be written by QBE. If not, provide premium comparisons for a sample of risks that comprise the majority of business expected to be written by QBE in Rhode Island that demonstrate the proposed premiums are in line with those of the competitors.**

The two exhibits (Exhibit 6) that have been provided with the original filing for QBE proposed rates provide a range that comprises the majority of the business that is expected to be written by QBE in Rhode Island (see Exhibit 5 for an exposure count by age of home). We expect more than 80% of the policies to be homes between 0 and 20 years old. The first exhibit provided with the original filing showed risks for 20 year old homes at 10% above Empire's rates and the exhibit sent with the response on 3/23/2011 showed risks for brand new homes matching Empire's rates (all for 40 year old insureds).

2. **Provide support for each particular builder credit proposed.**

The builder and affinity credits are intentionally minor credits selected using actuarial judgment in part, to capitalize on the marketing value.

3. **Provide support for the particular affinity credit proposed.**

See the answer to #2 above.

4. **Provide support for the particular water back up charge proposed.**

The rate for our independent water back up endorsement was selected using actuarial judgment based on the ISO \$60 loss cost.

5. **In response to our request for QBE to provide support for each proposed age of insured factor, age of home factor, and credit score factor that is higher than indicated by the GLM analysis, QBE states, "The selected factors were chosen to smooth out the GLM analysis factors." In this regard, provide additional information regarding the smoothing process, in particular given that certain of the proposed factors are as high as approximately 72% above the indicated factors.**

The intent for the age of insured factor was to respond to the indicated data for a senior discount while not disrupting the existing factors in our countrywide data.

The intent for the age of home factors was to respond to the indicated data while not disrupting the existing factors in our countrywide data.

The insurance score factors were set by first putting a 1.00 factor at the average. Then based on reviewing multiple state's credit scored programs, we wanted a curve where moving from the high to the low factor would be no more than a multiple of 3.00. Next, the high and low factors were selected to fall between the one way analysis, GLM analysis, and smoothed factors at 2.00 and 0.70, respectively. The curve between the high and low factors was then selected using actuarial judgment to be a smoothed curve.

6. **Provide the relevant manual rate/rule pages for each competitor referenced in support of the proposed factor of 1.355 for Underwriting Credit Score Groups X, Y, and Z.**

The support that we have for the 1.355 factor is not Rhode Island specific so we have changed the factor for No Hit, No Score and Thin File to be the average factor (1.060) for all scored business. The average factor was derived from the multivariate data analysis described in the filing memorandum submitted with the original filing. See attached Exhibit A for the derivation of the average factor. See manual page HO-R-5 for the revised Underwriting Group/Age Of Insured Rating Factors.

- 7. The explanatory memorandum lists the particular rates/rating factors that are not in line with the Empire Factors. Certain of the rating rules, e.g., Rules 303, 402, 403, 407, 503, 504, 510, 512, 515, 519, 521, Section II rating rules, Additional Rule A5, etc. are not listed in the Empire Island Manual and are not listed in the explanatory memorandum. In this regard, confirm whether or not the referenced rates/rating factors are ISO based. If ISO based, provide the loss cost multiplier (with appropriate support) that is applied to the ISO loss costs to derive the proposed rates. If not ISO based, provide support for each rate/rating factor proposed for the reference rules.**

The Empire Fire and Marine manual is an exceptions manual so the rating rules that were not listed in the manual came from the ISO manual for the Loss Costs. Our rates are independent and the rates for all the Miscellaneous ISO endorsements in the QBE manual match those approved for Empire Fire and Marine's program. However, if there were any updates to the Loss Costs included in ISO circular LI-HO-2010-215, we incorporated those updates when selecting the QBE rates.

For example, for Rule 601 Residence Premises - Basic and Increased Limits for \$300,000/\$1,000 limits, the following rates are in effect:

Empire Rate	QBE Rate	Percent Change
26	28	7.7%

LI-HO-2001-103	LI-HO-2010-215	Percent Change
8.38	8.98	7.2%

Accounting for rounding, the only change in the rate from Empire to QBE is the change in the Loss Cost from the circular in effect for Empire to the current one being used for QBE.

- 8. Confirm QBE's intent regarding compliance with Rhode Island Regulation 116 (effective July 1, 2011).** We have added exceptions due to extraordinary life circumstances in Rule 104, Section L. - see manual page HO-E-9. In addition, we will provide a notice (PH RI 02) to all policyholders notifying them of the availability of Extraordinary Life Event exceptions. This notice will be attached to all policies. The notice is attached for our review.
- 9. Update the approved/pending list of states where the proposed countrywide factors have been filed, if there are any changes to the list previously submitted.**
- We have made filings in many states with these rating factors derived from this GLM analysis. New programs with these factors have been filed and approved as filed in AL, AZ, AR, CO, DC, GA, IA, ID, IL, IN, KS, KY, ME, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, VA, WV, WI, and WY
 - All programs have been approved with no modifications.
 - The following states programs have been filed and are pending approval - DE, ND, MI, RI.
 - None have been disapproved.

QBE Insurance Corporation
Personal Homeowners Multi-Peril
Exhibit A

Credit Score	House Year Exposures	Credit Score Factor
< 500	3,890	2.000
500-524	2,617	1.920
525-549	2,989	1.850
550-574	3,858	1.770
575-599	4,587	1.690
600-624	5,665	1.620
625-649	7,029	1.540
650-674	8,617	1.460
675-699	10,311	1.380
700-724	12,785	1.310
725-749	15,804	1.230
750-774	19,728	1.150
775-799	24,415	1.080
800-824	29,614	1.000
825-849	35,256	0.950
850-874	38,838	0.900
875-899	45,011	0.850
900-924	31,398	0.800
925-949	14,206	0.750
950 and over	4,134	0.700
Total	320,752	1.060

EXTRAORDINARY LIFE EVENT NOTICE

An insurer authorized to do business in certain states that uses credit information to underwrite or rate risks for a policy of personal insurance may, on written request from a consumer, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by events considered extraordinary life circumstances such as:

1. Catastrophic event, as declared by the federal or state government.
2. Serious illness or injury, or serious illness or injury to an immediate family member.
3. Death of a spouse, child, or parent.
4. Divorce or involuntary interruption of legally-owed alimony or support payments.
5. Identity theft.
6. Temporary loss of employment for a period of three months or more, if such loss results from involuntary termination of employment.
7. Military deployment overseas.
8. Other events, as determined by the insurer.

If a consumer submits a request for an exception as set forth above, an insurer may, in its sole discretion, but is not required to, do any of the following:

1. Require the consumer to provide reasonable written and independently verifiable documentation of the event.
2. Require the consumer to demonstrate that the event had direct and meaningful impact on the consumer's credit information.
3. Require such request to be made no more than sixty days from the date of the application for insurance or the policy renewal.
4. Grant an exception despite the fact that the consumer did not provide the initial request for an exception in writing.
5. Grant an exception where the consumer asks for consideration of repeated events or the insurer has considered this event previously.



QBE Insurance Corporation Homeowners Program

Response to Phone Conversation of 8/16/2011

Thank you for our phone conversation of August 16, 2011. Below is some additional information we would like to submit in light of our conversation.

1. QBE FIRST is an MGA for both the QBE Insurance Corporation (QBE owned company) and Empire Fire and Marine Insurance Corporation (Zurich Company). QBE FIRST was recently purchased by QBE and is creating a duplicate (with updates) of the Empire Homeowner program in QBE Insurance Corporation. QBE FIRST has managed homeowner programs for Empire Fire and Marine Insurance Company and continues to maintain this Empire program. Although our agents have been instructed to write all New Business in QBEIC, some New Business may still be written in Empire. The intent with this filing is to upgrade our homeowners product by introducing the new credit scored program in QBEIC and write any new insureds in the new company.
2. Just to clarify that the GLM analysis for this filing was prepared by Pinnacle Actuarial Resources, Inc. of which the project team consisted of four Fellows of the Casualty Actuarial Society (FCAS). The TransUnion Risk Score - Property Model which is the credit score model we are using was prepared and filed by TransUnion in Rhode Island and was included with the original filing for reference. The QBEIC Homeowners filing was prepared by QBEIC.
3. The factors for the high dollar deductible options that are being filed with this program were developed by extrapolation.
4. The minimum premium that is currently filed for Empire is \$50. The revised minimum premium that is proposed for QBEIC is \$200. It should be noted that this is an annual minimum premium that is pro-rated if the policy is canceled and not a minimum retained premium. The \$200 value is well below the premium for a small policy. It mainly serves as a protective floor should an unusual combination of credits occur that was not expected.
5. The Water Back Up And Sump Discharge Or Overflow endorsement that is being filed with the QBEIC program differs from the one currently used in Empire as follows:

As we stated in the Forms Filing Memorandum, this endorsement revises ISO form HO 04 95 01 09, which covers losses from some types of water backup and sump pump discharge. The new form increases the amount of coverage from \$5,000 to \$7,500. Whereas the previous form used a fixed \$250 deductible, the new form will use the policy deductible. The limit provided on this form is in excess of the deductible and provides the policyholder better coverage.

When selecting the rate for this coverage, we used actuarial judgment, selecting the ISO loss cost for our independent endorsement and then adjusting for the deductible factor since our endorsement uses the policy deductible. We also considered the cost of this type of coverage with other carriers.

We successfully introduced this endorsement and rate in AL, AZ, CO, GA, IA, ID, IL, IN, KS, KY, MN, MO, NJ, NV, OH, OK, OR, SC, UT and WI.

6. The Platinum Homeowner Package Endorsement that is being filed with the QBEIC program provides the same basic combination of coverages as the Empire endorsement. There are a few minor differences from the one currently used in Empire as follows:

As we stated in the Forms Filing Memorandum, we have revised the Platinum Homeowners Package Endorsement from that of Empire. In the original Empire filing of this form, Items C. Special Deductible and D. Exception To Power Failure Exclusion were not included in the endorsement. The Refrigerated Property Coverage provided was intended to be identical to the ISO HO0498 1000. The Mortgage Protection Endorsement section has been revised in order to remove the term "termination provision", improve the readability of the coverage, and to clarify the conditions under which payment will be made. These revisions do not represent any material changes to this coverage.

7. The Gold Homeowner Package Endorsement that is being filed with the QBEIC program provides the same basic combination of coverages as the Empire endorsement. There are a few minor differences from the one currently used in Empire as follows:

As we stated in the Forms Filing Memorandum, the Mortgage Protection Endorsement section has been revised in order to remove the term "termination provision", improve the readability of the coverage, and to clarify the conditions under which payment will be made. This revision does not represent a material change to this coverage. Please see the revised form, HO9412 0708.

8. Selection of the final insurance score factors:

We kept the relativity within the range of how the market treats insurance scores when selecting our high score and low score values. At least one state dictated the maximum acceptable range. This range was consistent with what we observed in many states and carriers. We elected to provide consistency from state to state in our factor table. To summarize the process, the insurance score factors were set by first putting a 1.00 factor at the average. Then based on reviewing multiple state's credit scored programs, we wanted a curve where moving from the high to the low factor would be no more than a multiple of 3.00. Next, the high and low factors were selected to fall between the one way analysis, GLM analysis, and smoothed factors at 2.00 and 0.70, respectively. The curve between the high and low factors was then selected using actuarial judgment to be a smoothed curve.

Although we do not have a sample of State Farm's factors for Rhode Island, their factors do not deviate by state for the states for which we do have their insurance score factor tables. The relativity between the highest and lowest factors for their table is about 3.33.

Similarly, for Allstate, the relativity between the highest and lowest insurance score factor is 2.63. Examples of these tables can be seen in Exhibit A, attached.

9. The GLM analysis process was an iterative process. We used this primarily to combine the Empire tier factors and age of home factors resulting in a smoother transition from one age to another. We also looked for additional variables to utilize in rating that provided an opportunity for more equitable pricing (such as age of insured and insurance score) making sure we accounted/removed overlap between the effects of the variables. All rating variables were freed up in the initial run. Those that had no credible relation to Insurance score (such as PPC factors) were then fixed at current values. The GLM was then re-run.
10. In our response dated 7/26/2011, we stated that it is expected that 80% or more of the policies that will be written by QBE in Rhode Island will be homes between 0 and 20 years old. Using this information and re-rating our Empire book into QBE, the overall percent change is estimated to be 0.4%.

11. The intent is for QBE Insurance Corporation to provide reasonable exceptions due to Extraordinary Life Events. It was brought to our attention that the wording in our notice which is a copy of the ACCORD form may not be clear that we intend to allow these exceptions because the notice uses the word "may" so we have updated the word "may" to be "shall". The revised notice is attached.
12. The updated list of states where the proposed countrywide factors have been filed and/or approved are as follows:
- We have made filings in many states with these rating factors derived from this GLM analysis. New programs with these factors have been filed and approved as filed in AL, AZ, AR, CO, DC, GA, IA, ID, IL, IN, KS, KY, MI, ME, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, VA, WV, WI, and WY
 - The Builder Credit was not filed in AL, AR, NV, SC or TN.
 - The Affinity Credit was not filed in AL, AR, NV, TN or TX.
 - The higher 10% Multi-Policy Credit has not been filed AL, AR, NV, NJ, NY or TN. Please note that this higher credit is only for QBE auto carrier policies.
 - The following states programs have been filed and are pending approval - DE, ND, RI.
 - None of the states where we have filed have been disapproved.

We appreciate your consideration.



QBE Insurance Corporation Homeowners Program

Response to Phone Conversation of 9/15/2011

Thank you for our phone conversation of September 15, 2011. Below is some additional information we would like to submit in light of our conversation.

1. QBE FIRST is an MGA that manages both the Empire Fire and Marine Insurance Company homeowners program and the QBE Insurance Corporation homeowners program. QBE FIRST was first owned by Zurich but is now owned by QBE. Zurich and QBE are completely separate entities as are Empire Fire and Marine and QBE Corporation. There are different agents selling policies for each of these companies.
2. In our response dated 7/26/2011, we stated that it is expected that 80% or more of the policies that will be written by QBE in Rhode Island will be homes between 0 and 20 years old. We needed to make some assumptions in order to use the insurance scored QBE program to re-rate the Empire book. Since we do not collect insured age or insurance score in the Empire program, we assumed a median age and insurance score of 40-49 years of age and an underwriting group of N when re-rating the Empire book as QBE. We also weighted the 0-20 year old homes with 80% credibility. The Empire book consists of only 21 policies. Using this expected distribution and re-rating our Empire book into QBE, the overall percent change is estimated to be 0.4%.
3. Just to reiterate the selection of our final insurance score factors, we first selected the 1.00 factor at the average. Then based on reviewing multiple state's credit scored programs, we wanted a curve where moving from the high to the low factor would be no more than a multiple of 3.00. Next, the high and low factors were selected to fall between the one way analysis, GLM analysis, and selected factors at 2.00 and 0.70, respectively. Our data is not as robust as the competitors' data that we were comparing to so when we evened out the curve from 2.00 to 0.70 with the 1.00 where our average lies, some of the deviations from the GLM analysis seem high but the resulting curve is a nice linear curve hitting 1.00 where our average is and still containing the high to low factor of 3.00. State Farm's ratio of the high to low factor is 3.33, and Allstate's ratio of the high and low factors is 2.63. These two competitors were thus used to validate and provide a reasonableness test for our factors.
4. The GLM analysis process was an iterative process. We used this primarily to combine the Empire tier factors and age of home factors resulting in a smoother transition from one age to another. We also looked for additional variables to utilize in rating that provided an opportunity for more equitable pricing (such as age of insured and insurance score) making sure we accounted/removed overlap between the effects of the variables. All rating variables were freed up in the initial run. Those that had no credible relation to Insurance score (such as PPC factors) were then fixed at current values. The GLM was then re-run. This process was repeated multiple times as variables were identified as not double counted with Insurance score.
5. See Exhibit A for support for our Builder Credit.
6. See Exhibit B for support for our Affinity Credit.

7. See Exhibit C for support for our Multi-Policy Credit.
8. The updated list of states where the proposed countrywide factors have been filed and/or approved are as follows:
- We have made filings in many states with these rating factors derived from this GLM analysis. New programs with these factors have been filed and approved as filed in AL, AZ, AR, CO, DC, DE, GA, IA, ID, IL, IN, KS, KY, MI, ME, MN, MS, MO, MT, NE, ND, NV, NH, NJ, NM, NY, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, VA, WV, WI, and WY
 - The Builder Credit was not filed in AL, AR, NV, SC or TN.
 - The Affinity Credit was not filed in AL, AR, NV, TN or TX.
 - The higher 10% Multi-Policy Credit has not been filed AL, AR, NV, NJ, NY or TN. Please note that this higher credit is only for QBE auto carrier policies.
 - The following states programs have been filed and are pending approval - RI.
 - None of the states where we have filed have been disapproved.

We appreciate your consideration.

QBE Insurance Corporation Builder Credit

(1)	Average Premium for a \$282,500 Home	\$1,544
(2)	Reduced Costs for Selected Builders	Savings
	a. Low 0.0%	\$0
	b. High 13.0%	\$201
(3)	Selected	\$20

Notes:

- (2) Based on a review of new homes built by select builders and new home built by others, the select builders had a statistically significant lower frequency. This lower frequency lead to a savings of 13% for the select builders.

QBE Insurance Corporation Affinity Credit

(1)	Average Premium for a \$282,500 Home		\$1,544
(2)	Acquisition Costs	6.0%	\$93
(3)	Range of Acquisition Cost Savings		Savings
	a. Low	10.0%	\$9
	b. High	40.0%	\$37
(4)	Selected		\$10

Notes:

- (1) Based on experience.
- (2) Based on experience.
- (3) Through improved close ratios, we experience lower marketing expense per policy. This leads to the potential savings ranging from 10%-40% of the Other Acquisition costs.

QBE Insurance Corporation Multi-Policy Credit

The purpose of this exhibit is to develop a premium amount for various expense loads. The difference in premium at various expense loads will be used to select an appropriate multi-policy credit.

	Base (1)	Reduction A (2)	Reduction B (3)
Commissions	28.50%	28.50%	28.50%
Other Acquisition	6.00%	4.80%	3.60%
General Expense	6.00%	4.80%	3.60%
Taxes, Licenses, & Fees	2.00%	2.00%	2.00%
Reinsurance Costs	3.00%	3.00%	3.00%
Profit and Contingencies	9.14%	9.14%	9.14%
Investment Yield	-4.66%	-4.66%	-4.66%
 Total Expenses	 49.98%	 47.58%	 45.18%
 Permissible Loss Ratio (4)	 50.02%	 52.42%	 54.82%
 Current Statewide Average Rate	 \$1,544		
 Average Loss Cost (5)	 \$772	 \$772	 \$772
 Premium (6)	 \$1,544	 \$1,473	 \$1,409
Difference (7)		-4.58%	-8.76%
 Selected Multi-Policy Factor		 -5.0%	

(1) - Derivation using Current Expenses

(2) - Derivation using Expenses with 20% reduction in General and Acquisition

(3) - Derivation using Expenses with 40% reduction in General and Acquisition

(4) - Calculated as 1 minus Total Expenses

(5) - Current Statewide Average Rate Multiplied by the Permissible Loss Ratio

(6) - Calculated as (5)/(4)

(7) - Expressed as the percentage difference from the Base Column Premium (1544)

SERFF Tracking Number: QBEC-127015393 State: Rhode Island
 Filing Company: QBE Insurance Corporation State Tracking Number:
 Company Tracking Number: 11-043-000-HO-RI
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners QBEIC
 Project Name/Number: /

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)
07/26/2011	Form	EXTRAORDINARY LIFE EVENT NOTICE	08/25/2011	PH RI 02 07 11 - Extraordianary Life Event Notice.pdf (Superseded)
02/09/2011	Rate and Rule	QBEIC Homeowners Manual	07/26/2011	RI HO QI 20110501.Manual.pdf (Superseded)

EXTRAORDINARY LIFE EVENT NOTICE

An insurer authorized to do business in certain states that uses credit information to underwrite or rate risks for a policy of personal insurance may, on written request from a consumer, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by events considered extraordinary life circumstances such as:

1. Catastrophic event, as declared by the federal or state government.
2. Serious illness or injury, or serious illness or injury to an immediate family member.
3. Death of a spouse, child, or parent.
4. Divorce or involuntary interruption of legally-owed alimony or support payments.
5. Identity theft.
6. Temporary loss of employment for a period of three months or more, if such loss results from involuntary termination of employment.
7. Military deployment overseas.
8. Other events, as determined by the insurer.

If a consumer submits a request for an exception as set forth above, an insurer may, in its sole discretion, but is not required to, do any of the following:

1. Require the consumer to provide reasonable written and independently verifiable documentation of the event.
2. Require the consumer to demonstrate that the event had direct and meaningful impact on the consumer's credit information.
3. Require such request to be made no more than sixty days from the date of the application for insurance or the policy renewal.
4. Grant an exception despite the fact that the consumer did not provide the initial request for an exception in writing.
5. Grant an exception where the consumer asks for consideration of repeated events or the insurer has considered this event previously.

**QBE
INSURANCE CORPORATION**

**RHODE ISLAND
HOMEOWNERS PROGRAM**

STATE MANUAL

100. INTRODUCTION

A. Manual Structure

This manual contains:

1. A description of the QBE Insurance Corporation (herein referred to as Company) Homeowners Program, including Program minimums and maximums for Section I – Property Damage, and Section II – Liability coverages,
2. Eligibility Guidelines, and
3. Rates and Rules

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The standard coverages required under the Homeowners policy are as follows:

Section I - Property Damage

Coverage	Minimum	Maximum
A – Dwelling	\$40,000	\$600,000 (up to \$1,000,000 for New Business and \$1,500,000 for Renewals with advance written approval from underwriting)

Coverage	Standard Amount
B – Other Structures	10% of Coverage A
C – Personal Property	50% of Coverage A
D – Additional Living Expense	30% of Coverage A

Section II – Liability

Coverage	Standard Amount
E – Personal Liability	\$100,000 per occurrence
F – Medical Payments	\$1,000 per person

Insurance to Replacement Cost	100%
Liability Options	\$100,000, \$300,000, \$500,000
Medical Payments Options	\$1,000, \$2,000, \$5,000
All-Perils Deductible Options	\$500, \$1,000, \$2,500
All-Perils High Deductible Options	\$5,000, \$7,500, \$10,000
Hurricane Deductible Options	1%, 2%, 5%

When a High Deductible is chosen, any Hurricane Deductible requirement is waived. In addition, there are no Hurricane Deductible options available when a High Deductible is chosen.

B. Increased limits availability

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure. The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

102. DESCRIPTION OF COVERAGES

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

A. Section I – Property – Perils Insured Against

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

B. Section II – Liability – All Forms**1. Coverage E – 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. Coverage F – 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.

STATE MANUAL

104. ELIGIBILITY**A. General Eligibility Guidelines**

Mortgagee	Conventional Lender ("C" quality paper) Homes with more than 2 mortgages not eligible (Excluding Home Equity Line of Credit)
Insurance to Value Requirements (HO 00 03)	100% of estimated replacement cost. Newly constructed homes may use replacement cost estimate from Builder. Other properties must use M&S/B estimated replacement cost.
Protection Classes	PPC codes 1 through 10 Ineligible homes include: Dwellings located on islands with no fire protection, in isolated areas not accessible by road year round, or in declared brush or forest fire areas
Year Built	1920 or after
Claims History (New Business) (Property experience period - past 3 years) (Liability experience period – past 5 years)	Not more than 2 chargeable claims. Losses assigned a CAT number will not be included (limited to 1 per experience period).
Number of Families (HO 00 03)	1 or 2 unit dwellings. When entering a 2 unit dwelling, if one unit is owner occupied, enter the occupancy of the policy as "owner"; if both units are rented, enter the occupancy of the policy as "tenant".

B. General Ineligible Property Characteristics

1. Historic homes
2. Properties in foreclosure
3. Properties with brush exposure:
 - a. With noncombustible roof, must be at least 300 feet from mild / heavy brush
 - b. With combustible roof, must be at least 2,500 feet from mild/ heavy brush

C. Occupancy / Ownership Ineligible Property Characteristics

1. Vacant or unoccupied premises
2. Dwellings occupied as rooming houses, fraternities, sororities, student housing or other similar occupancies
3. More than two unit dwellings (HO 00 03)
4. Dwellings title in the name of a corporation, lending institution or Mortgage Company, or properties which have been foreclosed by a loss payee, even if the title does not yet indicate the change in ownership

STATE MANUAL

D. Housekeeping / Maintenance Ineligible Property Characteristics

1. Dwellings with inadequate, obsolete or unrepaired roofs, heating, electrical, or plumbing systems
2. Properties with an outbuilding that has a wood burning or solid fuel auxiliary heating device
3. Dwellings condemned due to condition, urban renewal, highway construction, or other similar reasons
4. Dwellings with neighboring structures that are vacant or abandoned or have un-repaired damage whose condition increases the likelihood of loss to the insured property
5. Dwelling that is not maintained in at least good physical condition or housekeeping is not at least good
6. Properties with outbuilding(s) in poor physical condition or not properly maintained, unless the Specific Structure Exclusion form is attached to the policy and presents no additional liability hazard

Physical Condition	Number of Issues
Excellent	0 issues
Good	1 or 2 Minor issues and 0 Major issues
Poor	3 or more Minor issues or 1 or more Major issues

Maintenance / Housekeeping Issues Checklist

Minor Issues

- | | | |
|--|------------------------------|-----------------------------|
| Discolored or stained exterior | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor surface cracks in sidewalk or driveway | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Overflowing garbage cans | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Overgrown grass, unkempt shrubbery | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor debris or litter | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Fading exterior paint (20% allowable of dwelling) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose or missing wood slats/boards fencing missing 3 or less | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Unstable and non-secure fence gate | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Broken or damaged exterior lights | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose or missing siding shingles (one) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Faulty Railing | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose stair case or rails | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Major Issues

- | | | |
|---|------------------------------|-----------------------------|
| Home has existing unrepaired damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Unfinished interior or exterior | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Wood rot | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Water damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Peeling paint | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Broken windows | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Boarded windows | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Missing siding | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Exterior damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Inoperable vehicle on property | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Materials stacked against the structure | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Brush, grass, trees touching and rubbing against dwelling | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Debris close to the house that may increase the fire hazard | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Raised cracks in the driveway and/or walkway (trip/fall hazard) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Uneven or broken steps (trip/fall hazard) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

E. Roof Condition Ineligible Property Characteristics

1. Dwelling with a roof that is not at least in good condition
2. Dwelling with roof with an expected remaining life of less than 5 years
3. Dwellings with roofs such as composition or asphalt that have been installed over wood shake or wind shingles

Physical Condition	Number of Issues
Excellent	0 issues
Good	1 or 2 Minor issues and 0 Major issues
Poor	3 or more Minor issues or 1 or more Major issues

Roof Condition Issues Checklist

Minor Issues

- | | | |
|--|------------------------------|-----------------------------|
| Two layers of shingles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor granular loss | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3 or less broken/missing shingles/tiles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Composite roof over 15 years old, but less than 20 years old | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Patches | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Loose flashing | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Nail heads rising | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2 or fewer loose tiles/shingles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor mold/mildew stains | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Minor moss build-up | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Major Issues

- | | | |
|---|------------------------------|-----------------------------|
| 3 or more layers of shingles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Significant granular loss | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Composite roof older than 20 years | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Un-repaired damage | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Rusting | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive number of missing or cracked slates/tiles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive curling (wood) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive cupping/curling (composition) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Buckling and bubbling (rolled roofs) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3 or more broken/loose/slipped tiles | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Water damaged or rotten roof boards | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Clogged/un-secured guttering | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Missing down spouts | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Excessive moss build-up | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Special roofing materials may, with underwriting manager approval and inspection, be consider acceptable even though the roof is over 15 years old, i.e. 50 year architectural shingles.

F. Plumbing, Heating, and Electrical Systems Condition Ineligible Property Characteristics

1. Homemade or kit auxiliary heating device or kerosene space heater
2. Manufactured heating device or fireplace insert not installed to local building code or manufacturer's specifications
3. Gas space heaters attached by wall mounting or gas lines as the primary heating system UNLESS the heater is:
 - a. UL approved,
 - b. Meets local building codes,
 - c. Approved by the local building inspector or is commercially installed, and
 - d. Thermostatically controlled
4. Fireplace, woodstove, or portable heating device used as the only or primary source of heat. A portable heating device is defined as one that is not permanently secured to a wall or floor and connected to a gas line.
5. Heat source that uses a liquid fuel tank located below ground.
6. Heating systems that is not thermostatically controlled (space heaters and kerosene heaters may not be used as primary heating system)
7. Electrical system without circuit breakers
8. Dwellings with electrical service of 60 AMPs or less electrical service.

G. Ineligible Property Construction Characteristics

1. Mobilehomes, earth sheltered homes or log homes
2. Unconventional design or construction
3. Cantilever construction or flat pad within 25 feet of hillside
4. Dwellings attached to, or occupied as, a commercial risk or commercial building converted into a dwelling
5. Hillside exposure (20 slope or steeper)
6. Earthquake or earth movement/slide exposure

H. Dwellings Under Construction

1. Any dwelling that are under construction or undergoing major renovation (e.g. new addition or additional story) are ineligible if:
2. Will not be fully enclosed within 60 days,
3. Will not be occupied within 60 days,
4. Not being constructed by a licensed contractor, and
5. Not insured for replacement cost value, or the replacement cost value does not reflect the new addition

I. Ineligible Liability Characteristics

1. Dwellings with more than incidental business conducted on the premises
2. Swimming pools not completely enclosed by a least a 4 foot high fence with a self-locking gate
3. Dwellings with underground liquid fuel tanks
4. Properties with farm exposures where any or all of the following apply:
 - a. Applicant earns over \$5,000 per year from farming
 - b. Applicant farms over 10 acres
 - c. Applicant employs full or part-time workers
 - d. Applicant rents/leases his land to others
 - e. Applicant owns livestock
 - f. Applicant keeps livestock belonging to others on the premises
5. Trampolines that are not enclosed with a safety net or fenced in a yard

J. Ineligible Animal Exposures

1. More than two dogs
2. The following dog breeds are unacceptable (pure breed or mixed breed):
 - a. Pit Bulls
 - b. Rottweilers
 - c. Dobermans
 - d. German Shepherd
 - e. Wolf hybrids
 - f. Chows
3. The following animals must receive underwriter approval before coverage can be bound:
 - a. Working class breeds of dog (cattle dogs, herding dogs, etc.)
 - b. Dogs with aggressive tendencies (like Akita, English Bulldog, Great Dane, Siberian Husky, Boxer, etc.)
 - c. Dogs over 60 pounds
4. Farm animals and Exotic pets.

No coverage is provided for physical damage coverage of any kind for any animals of any kind.

K. Definitions

Exotic pets:

Includes snakes, big cats, wolves, wolf cross breeds, ostriches, monkeys and other non-domestic animals, and some rare or unusual types of fish and birds.

Chargeable Claim:

Any loss where a payment has been made or a reserve has been established in anticipation of making a payment. Chargeable claims exclude where weather was the primary cause of loss.

Construction Types

Frame – Exterior walls of wood or other combustible construction, including wood iron-clad, stucco on wood, hardi-plank or plaster on combustible supports, aluminum or vinyl over a frame.

Masonry Veneer – Exterior walls of combustible construction veneered with brick or stone on at least three full sides.

Masonry/Brick – Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, tile, stone or similar materials. Floors of wood or other combustible construction.

Mobile Home - A type of manufactured home. They are subject to HUD regulations and will have a HUD stamp on the body of the home. They can be easily identified by their construction having a metal framework chassis, hurricane straps, utility meters are usually attached to pole not the home, and some type of skirting surrounds the base (brick, aluminum, wood, etc.) Like a personal automobile they are titled and have a lien instead of a mortgage. Mobile homes, including those on a permanent foundation, are not eligible.

Modular Home - A type of manufactured home. These are like normal stick-built homes only they are comprised of sections that are built elsewhere and later connected together on-site to complete the home. They can look like a double-wide style mobile home. Modular homes will have a mortgage and follow the general rules of a normal stick-built home.

Occupancy Types

Seasonal - A seasonal home is a second home typically used by the policyholder as a vacation home on a yearly basis. They are customarily occupied for a certain period of time each year and then vacant for the remainder of the year (i.e., - Seasonal use.) A common characteristic of these properties is that the home is not located in close proximity to insured's primary residence

Secondary - A secondary home is one that the policyholder will visit frequently throughout the year. An example would be a cabin in the mountains or a lake house that the policyholder goes to on the weekends throughout the year. Although this home is vacant in between these visits, the occupancy of the secondary home is throughout the year, and not just for a specific time period (or season) of each year.

Row House / Town House / Duplex, etc

A dwelling with more than one residence sharing a common wall

Dwelling Under Construction / Major Renovation

Home being built for first time, or dwelling with a new addition or floor being added.

Dwelling Under Minor Renovation

Dwelling where residing, re-roofing, exterior painting or interior appearance improvements such as new carpet, wall paper, or painting, are occurring.

Replacement Cost

Replacement Cost as defined by the policy is "...the cost to repair or replace, after application of any deductible and without deduction for depreciation with material of like kind and quality and for like use..."

The replacement cost of a dwelling to be insured can be determined

- Through the use of an acceptable square foot residential valuation system, such as those provided by Marshall/Swift & Boeckh, and must include the cost of the contractor's overhead and profit.
- Through submission of a detailed analysis by a licensed builder/contractor that has been obtained within the past 12 months.

Replacement cost is not the mortgage amount. Policies written in this program must carry a dwelling limit (Coverage A) equal to at least 100% of the estimated total replacement cost of the house. All requests for coverage above 150% of the estimate replacement value will be submitted and approved by underwriting prior to binding or issuance of the coverage.

L. Insurance Scored Program Information

1. The insurance score will be ordered upon policy inception and the policy rated accordingly.
2. If it is determined due to a dispute resolution process that the credit information of a policyholder was incorrect or incomplete and if the company receives notice of such determination from either the consumer reporting agency or the policyholder, the company will reunderwrite and re-rate the policy within 30 days of receiving the notice.
3. The insured has the right to request the company to reorder the insurance score not more than once every twelve months. The company will reunderwrite and rerate their policy using the updated insurance score.
4. The company will reorder an updated insurance score every thirty six months from the last time a score was obtained and re-rate and reunderwrite the insured's policy.
5. The insured's premium will not be increased based solely on the worsening of the customer's insurance score unless:
 - a. the worsening is due to a bankruptcy, tax lien, garnishment, foreclosure or judgment; or
 - b. if a subsequent insurance score no sooner than six months later confirms the worsening in score.

105. SECONDARY RESIDENCE PREMISES**A. Application**

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. Premium Adjustment

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 **\$21.00** 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 CLASSIFICATION INFORMATION

Determine the ISO Public Protection classification; refer to ISO's Community Mitigation Classification (CMC) Manual, applicable to the municipality or classified area where the insured property is located.

107. CONSTRUCTION DEFINITIONS

See Rule 104.K – Definitions.

108. SEASONAL DWELLING DEFINITION

See Rule 104.K – Definitions.

109. SINGLE AND SEPARATE BUILDINGS DEFINITION

This section is deleted in its entirety.

110. – 200. RESERVED FOR FUTURE USE

201. POLICY PERIOD

The policy will be written for a period of twelve months.

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, including any premium which was 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
 - 1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
 - 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

204. MULTIPLE COMPANY INSURANCE

This section is deleted in its entirety.

205. MINIMUM PREMIUM

- A. For prepaid policies a minimum **annual** premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. A minimum annual premium of \$200 per policy applies excluding any applicable Policy Fees, Assessments, and Surcharges. The minimum annual premium shall be computed on a pro rata basis.

206. TRANSFER OR ASSIGNMENT

This section is deleted in its entirety.

207. WAIVER OF PREMIUM

- A. When a policy is endorsed after the inception date, an amount of additional or return premium may be waived.
- B. Additional or return premiums of less than \$10 will be waived.

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

This section is deleted in its entirety.

210. REFER TO COMPANY

This section is deleted in its entirety.

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**.

212. – 300. RESERVED FOR FUTURE USE

301. BASE PREMIUM COMPUTATION FOR HO 00 03 AND HO 00 06

1. Coverage A Amount	=	_____
2. Base Rate	=	_____
3. Underwriting Group/Age of Insured Factor	x	_____
4. Form Factor	x	_____
5. Protection/Construction Factor	x	_____
6. Key Factor	x	_____
7. Claim Factor (1 + Table Entry)	x	_____
8. Base Premium	=	_____
		(Dollar Rounded)
9. Ordinance or Law		
Base Premium (Line 8) x (Factor - 1)	=	_____
		(Dollar Rounded)
10. Deductible Credit or Surcharge		
Base Premium (Line 8) x (Factor - 1)	=	_____
		(Dollar Rounded)
11. Adjusted Base Premium (8 + 9 +10)	=	_____

Common Endorsements and Premium Adjustments:

12. New Purchase Discount*		
Base Premium (Line 8)	=	_____
New Purchase Factor	x	_____
Credit Premium	=	_____
		(Dollar Rounded)
13. Age of Home Factor*		
Base Premium (Line 8)	=	_____
Age of Home (Factor - 1)	x	_____
Age of Home Premium	=	_____
		(Dollar Rounded)
14. Renovated Home Discount *		
Base Premium (Line 8)	=	_____
Renovated Home Factor	x	_____
Credit Premium	=	_____
		(Dollar Rounded)
15. Protective Devices Discount *		
Base Premium (Line 8)	=	_____
Protective Devices Factor	x	_____
Credit Premium	=	_____
		(Dollar Rounded)

* Note: New Purchase, Age of Home, Renovated Home and Protective Devices discounts are subject to Maximum Policy Credit

16. Homeowner Package Endorsement		
(Line 11) x (Package Percent Rate)	=	_____
		(Dollar Rounded)
17. Residence Premises Basic or Increased Liability Rate		
Selected Liability Limit	=	_____
Selected Medical Payments Limit	=	_____
Residence Premises Liability Premium	=	_____
18. Subtotal Policy Premium		
11 - 12 + 13 - 14 - 15 + 16 + 17	=	_____

Other Property Endorsements:

Refer to manual for rating of individual endorsements

19. Secondary Residence Premises	=	_____
20. Townhouse or Row House	=	_____
21. Personal Property Replacement Cost	=	_____
22. Additional Amounts of Insurance	=	_____
23. Business Property – Increased Limits	=	_____
24. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money	=	_____
25. Fire Department Service Charge	=	_____
26. Permitted Incidental Occupancies Residence Premises	=	_____
27. Loss Assessment Coverage	=	_____
28. Loss of Use – Increased Limit	=	_____
29. Other Structures	=	_____
30. Personal Property	=	_____
31. Personal Property - Scheduled	=	_____
32. Rental to Others – Theft Coverage	=	_____
33. Special Computer Coverage	=	_____
34. Water Back Up and Sump Overflow	=	_____
35. Total Other Property Endorsements		
(Sum of Lines 19 through 34)	=	_____

Optional Liability Endorsements:

Selected Limit of Liability and Medical Payments must be the same as limit selected in Line 17.

36. Other Insured Location Occupied by Insured	=	_____
37. Additional Residence Rented to Others	=	_____
38. Other Structures Rented to Others	=	_____
39. Permitted Incidental Occupancies	=	_____
40. Business Pursuits	=	_____
41. Personal Injury	=	_____
42. Incidental Low Power Rec. Motor Vehicles	=	_____
43. Outboard Motors and Watercraft	=	_____
44. Total Liability Endorsement Premiums		
(Sum of Lines 36 through 43)	=	_____
45. Subtotal Line 18 + Line 35 + Line 44	=	_____
46. Occupancy Charge (Line 45 x 10%)	=	_____
47. Landlord's Endorsement (Line 45 x 1%)	=	_____
48. Builder Credit	=	_____
49. Affinity Credit	=	_____
50. Multi-Policy Credit (Line 45 x MPC%)	=	_____
51. Commissionable Policy Premium		
(Sum of Lines 45 through 50)	=	_____
52. Policy Fee (If Applicable)	=	_____
53. Local Taxes and Assessments (If Applicable)	=	_____
54. State Assessments and Surcharges (If Applicable)	=	_____
55. Total Policy Premium		
(Sum of Lines 51 through 54)	=	_____

CLASSIFICATION TABLES

- (1) Form Factors

Homeowners	1.00
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- (2) Protection - Construction Factors

Territories 30, 31:

	Construction*	
Prot.	Frame	Masonry
1-10	1.00	0.90

Territories 33-34:

	Construction*	
Prot.	Frame	Masonry
1	1.00	0.90
2	1.00	0.90
3	1.00	0.90
4	1.00	0.90
5	1.00	0.90
6	1.00	0.90
7	1.20	1.00
8	1.20	1.00
9	1.30	1.20
10	1.50	1.40

* Masonry Veneer is rated as Masonry.

* Aluminum or Plastic Siding over Frame is rated as Frame

**HO 00 03 AND HO 00 06 BASE RATES FOR \$100,000
COVERAGE A AND A \$1,000 ALL PERILS DEDUCTIBLE**

Territory	Base Rate
30	\$668.69
31	\$758.75
32	\$606.37
33	\$617.54
34	\$681.51

UNDERWRITING GROUP / AGE OF INSURED RATING FACTORS

Age of Primary Named Insured		Underwriting Group												
Age Group	Code	A	B	C	D	E	F	G	H	I	J	K	L	M
16-29	1	2.000	1.920	1.850	1.770	1.690	1.620	1.540	1.460	1.380	1.310	1.230	1.150	1.080
30-39	2	2.000	1.920	1.850	1.770	1.690	1.620	1.540	1.460	1.380	1.310	1.230	1.150	1.080
40-49	3	1.900	1.824	1.758	1.682	1.606	1.539	1.463	1.387	1.311	1.245	1.169	1.093	1.026
50 & over	4	1.800	1.728	1.665	1.593	1.521	1.458	1.386	1.314	1.242	1.179	1.107	1.035	0.972
Unknown	5	2.000	1.920	1.850	1.770	1.690	1.620	1.540	1.460	1.380	1.310	1.230	1.150	1.080

Age of Primary Named Insured		Underwriting Group												
Age Group	Code	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
16-29	1	1.000	0.950	0.900	0.850	0.800	0.750	0.700	1.000	1.000	1.000	1.355	1.355	1.355
30-39	2	1.000	0.950	0.900	0.850	0.800	0.750	0.700	1.000	1.000	1.000	1.355	1.355	1.355
40-49	3	0.950	0.903	0.855	0.808	0.760	0.713	0.665	0.950	0.950	0.950	1.287	1.287	1.287
50 & over	4	0.900	0.855	0.810	0.765	0.720	0.675	0.630	0.900	0.900	0.900	1.220	1.220	1.220
Unknown	5	1.000	0.950	0.900	0.850	0.800	0.750	0.700	1.000	1.000	1.000	1.355	1.355	1.355

Note: Rating Groups will be designated as a combination of the Underwriting Group and the Age Group, for example, "A1", "L2", "X4".

KEY FACTOR TABLE

Amt of Insurance	Relativity	Amt of Insurance	Relativity	Amt of Insurance	Relativity
40,000	0.690	88,000	0.956	190,000	1.617
42,000	0.699	90,000	0.962	195,000	1.661
44,000	0.708	92,000	0.970	200,000	1.705
46,000	0.717	94,000	0.977	205,000	1.749
48,000	0.728	96,000	0.985	210,000	1.793
50,000	0.738	98,000	0.992	215,000	1.838
52,000	0.752	100,000	1.000	220,000	1.882
54,000	0.765	105,000	1.023	225,000	1.926
56,000	0.780	110,000	1.045	230,000	1.969
58,000	0.795	115,000	1.072	235,000	2.014
60,000	0.811	120,000	1.098	240,000	2.059
62,000	0.829	125,000	1.128	245,000	2.104
64,000	0.847	130,000	1.157	250,000	2.149
66,000	0.866	135,000	1.190	255,000	2.194
68,000	0.887	140,000	1.222	260,000	2.239
70,000	0.907	145,000	1.258	265,000	2.284
72,000	0.913	150,000	1.293	270,000	2.329
74,000	0.920	155,000	1.331	275,000	2.374
76,000	0.925	160,000	1.369	280,000	2.419
78,000	0.929	165,000	1.409	285,000	2.464
80,000	0.933	170,000	1.448	290,000	2.509
82,000	0.939	175,000	1.490	295,000	2.554
84,000	0.945	180,000	1.531	300,000	2.599
86,000	0.951	185,000	1.574	Each Add'l \$1,000	0.009

To interpolate, compute the difference of the desired and next lowest Coverage A amounts, Multiply by the difference between the next highest and next lowest Key Factors, Divide by the difference between the next highest and next lowest Coverage A, add to the next lowest Key Factor and round to three decimal places.

To compute Key Factors for Coverage A above 300,000, compute the difference between the desired Coverage A and 300,000, Divide by 1,000, multiply by the Each Additional Factor, add the 300,000 Key Factor, and round to three decimal places.

NEW PURCHASE DISCOUNT

Newly purchased homes are eligible for the following credit applied to base premium. This credit does not apply to refinanced homes.

- 1ST YEAR 10%
- 2ND YEAR..... 7%
- 3RD YEAR..... 3%
- OVER 3 YEARS 0%

AGE OF HOME FACTORS

Apply the appropriate factor to base premium.

Dwelling Age	Credit
0	0.61
1	0.64
2	0.66
3	0.69
4	0.72
5	0.74
6	0.77
7	0.79
8	0.82
9	0.85
10	0.88
11-15	1.00
16-20	1.05
21-25	1.10
26-30	1.15
31-35	1.20
36-40	1.25
41 and over	1.30

RENOVATED HOME DISCOUNT

Homes insured that are over 10 years of age that have had their electrical (junction box & all wiring replaced); heating (central unit replaced); and/or plumbing (replaced with copper and/or new PVC) system(s) completely renovated or have had their roofs replaced within the past 10 years are eligible for the following credit to the base premium.

Age of Improvement	New Electrical System	New Heating System	New Roof	New Plumbing System	Maximum ALL Combined
0	8%	8%	5%	5%	20%
1	8%	8%	5%	5%	18%
2	7.5%	7.5%	4.5%	4.5%	16%
3	7%	7%	4.5%	4.5%	14%
4	6.5%	6.5%	4%	4%	13%
5	6%	6%	4%	4%	12%
6	5%	5%	3.5%	3.5%	10%
7	4%	4%	3%	3%	8%
8	3%	3%	3%	3%	6%
9	2%	2%	2%	2%	4%
10	1%	1%	1%	1%	2%

BUILDER CREDIT

This credit applies to homes built by specific builders for home ages 0 to 10. Age is defined as effective year minus year built. For accredited builders, the homeowner will receive a \$20 reduction of their total policy premium (before municipal tax and premium surcharge are added) for home ages 0 – 2 years and a \$10 reduction of their total policy premium (before municipal tax and premium surcharge are added) for home ages 3 – 10 years. Accredited builders are builders that build 3,000 homes per year nationally or 500 homes per year in a single state and are recognized for their willingness to stand behind their product. A list of approved builders is available from the underwriting department.

AFFINITY CREDIT

A \$10 credit will be given to customers of approved financial institutions. A list of approved institutions is available from the underwriting department.

CLAIM FACTOR

Consecutive Years	Basic Premium Adjustment				
	Number of Qualified Claims				
	0	1	2	3	4+
0 - 2	0%	+10%	+30%	+55%	+85%
3 - 5	- 5%	+ 5%	+30%	+55%	+85%
6 – 8	-10%	0%	+25%	+55%	+85%
9+	-10%	-10%	+10%	+45%	+85%

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last 3 years (ending 3 months prior to the current renewal effective date). A qualified claim is considered to be any non-catastrophe or non-weather related claim which results in a net paid loss during this 3 year period. Losses which only have payments under Medical Payments coverage are also NOT considered to be qualified claims.

The number of qualified Section I (Property Coverages) claims may be reduced or eliminated with the selection of a higher deductible. All claims that would not have applied if this higher deductible had been in force at the time of the claim are removed from the total qualified claim count.

The number of qualified Section II (Liability) claims may be reduced or eliminated with the elimination of the coverage under which the claim was made or exposure which caused the claim.

MULTI-POLICY CREDIT

The homeowners policy for the primary residence in this state will receive a 5% credit if the insured's private passenger automobile policy is written with a partner company.

The homeowners policy for the primary residence in this state will receive a 10% credit when the insured's private passenger automobile policy is written through an affiliate of our parent company, QBE the Americas, Inc.

MAXIMUM POLICY CREDIT

The maximum credit available to all policies applicable to the New Purchase, Age of Home Factor, Renovated Home and Protective Devices Credits is 65%.

302. LOSS SETTLEMENT OPTIONS

This section is deleted in its entirety.

303. ORDINANCE OR LAW COVERAGE**A. Basic Limit**

The policy automatically provides up to 10% of the Coverage **A** limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount of Coverage**1. Description**

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph **2.** 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 Determination

To develop the Base Premium multiply the premium computed in accordance with Rule **301.** by the appropriate factor selected from the following table:

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

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HO 04 77.**

304. SPECIAL PERSONAL PROPERTY COVERAGE

This section is deleted in its entirety.

305. – 400. RESERVED FOR FUTURE USE

401. SUPERIOR CONSTRUCTION

This section is deleted in its entirety.

402. TOWNHOUSE OR ROW HOUSE (HO 00 03)

The premium for an eligible 1 or 2 family dwelling in a town or row house structure is computed by multiplying the Adjusted Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9 & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
* 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.		

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.

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.

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)

This section is deleted in its entirety.

F. Premium Determination

Multiply the Adjusted Base Premium including any premium adjustment for Coverage **C** limits by a factor of 1.15.

404. PROTECTIVE DEVICES

<u>Type of Installation</u>	<u>Factor</u>
Monitored burglar alarm	5%
Monitored fire alarm.....	5%
Local fire alarm.....	2%
Automatic Sprinklers.....	8%

The above credits are additive, however, only the largest fire and largest burglar credits apply. Sprinkler credit is an additional credit.

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

405. INFLATION GUARD

This section is deleted in its entirety.

406. DEDUCTIBLES

Deductible	All Perils	HO 00 03 Including Hurricane Percentage Deductible of		
		1%	2%	5%
Coverage A between \$0 and \$124,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	N/A	0.91	0.87
\$2,500	0.90	N/A	N/A	0.77
High Deductible				
\$5,000	0.82	N/A	N/A	N/A
\$7,500	0.78	N/A	N/A	N/A
\$10,000	0.75	N/A	N/A	N/A
Coverage A between \$125,000 and \$249,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	0.95	0.90	0.87
\$2,500	0.90	N/A	0.78	0.77
High Deductible				
\$5,000	0.82	N/A	N/A	N/A
\$7,500	0.78	N/A	N/A	N/A
\$10,000	0.75	N/A	N/A	N/A
Coverage A over \$249,999				
\$500	1.15	1.10	1.08	1.04
\$1,000	1.00	0.95	0.90	0.87
\$2,500	0.90	0.79	0.73	0.71
High Deductible				
\$5,000	0.82	N/A	N/A	N/A
\$7,500	0.78	N/A	N/A	N/A
\$10,000	0.75	N/A	N/A	N/A

When a High Deductible is chosen, any Hurricane Deductible requirement is waived. In addition, there are no Hurricane Deductible options available when a High Deductible is chosen.

When a Hurricane Deductible is selected, use Hurricane Deductible - Rhode Island Endorsement **HO 03 57**.

407. ADDITIONAL AMOUNTS OF INSURANCE (HO 00 03)

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only or for Coverage **A, B, C,** and **D**, when loss to property insured under Coverage **A** – Dwelling, exceeds the limit of liability shown in the policy declarations.

C. Options Available

When either of the following options is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. Specified Additional Amount Of Insurance For Coverage A Only

- a. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.

The additional amount **cannot** be applied to any other coverage nor does it increase the Coverage **A** limit.

- b. The premium for this option is computed by multiplying the Adjusted Base Premium by the appropriate factor selected from the following table:

Additional Amount Options	Factor
25%	1.03
50%	1.06

- c. Use Specified Additional Amount of Insurance for Coverage **A** Only Endorsement **HO 04 20**.

2. Additional Limits Of Liability For Coverages A, B, C, And D

This section is deleted in its entirety.

D. Endorsement Exception

Do not use either endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage or replacement value is attached to the policy.

**408. ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OF HAIL LOSSES TO ROOF
SURFACING**

This section is deleted in its entirety.

**409. REPLACEMENT COST LOSS SETTLEMENT FOR
CERTAIN NON-BUILDING STRUCTURES**

This section is deleted in its entirety.

410. BUILDING CODE EFFECTIVENESS GRADING

This section is deleted in its entirety.

411. – 500. RESERVED FOR FUTURE USE

SECTION I – PROPERTY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

501. BUILDING ADDITIONS AND ALTERATIONS AT OTHER RESIDENCES

This section is deleted in its entirety.

502. BUILDING ADDITIONS AND ALTERATIONS – INCREASED LIMIT

This section is deleted in its entirety.

503. BUSINESS PROPERTY – INCREASED LIMIT

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 **\$44.29*** 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.
4. The Property described in Paragraphs **3.a.** and **3.b.** are covered under the following optional endorsements:
 - a. Permitted Incidental Occupancies;
 - b. Home Day Care; or
 - c. Home Business Insurance Coverage.

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 percent of the total on-premises limit of liability.

C. Endorsement

Use Increased Limits On Business Property Endorsement **HO 04 12**.

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

A. Coverage Increase

The limit of \$500 may be increased. An additional rate is to be charged.

B. Premium

Charge the following additional rate:

<u>TOTAL LIMIT</u>	<u>RATE</u>
\$ 1,000	\$1.79*
\$ 2,500	5.33*
\$ 5,000	7.08*
\$ 7,500	8.87*
\$ 10,000	10.63*

C. Endorsement

Use Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage Increased Limit Endorsement **HO 04 53**.

505. EARTHQUAKE

This section is deleted in its entirety.

506. FIRE DEPARTMENT SERVICE CHARGE

The limit of \$500 may be increased to a maximum of \$1,000.

The rate per \$100 of increase is **\$3.00**.

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

This section is deleted in its entirety.

508. FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

This section is deleted in its entirety.

509. HOME DAY CARE COVERAGE

This section is deleted in its entirety.

* Deductible Factor Applies

**510. PERMITTED INCIDENTAL OCCUPANCIES
RESIDENCE PREMISES**

A. Coverage Description

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 another structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HO 04 42** 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.

C. Other Structures

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. Personal Property

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 Computation

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 **\$10.63*** 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.

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.

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

To increase the coverage, use the following rates:

New Amount of Insurance	Premium
\$5,000	\$7.00*
\$10,000	\$12.00*
Each Add'l \$5,000	\$4.00*

B. Additional Locations

This section is deleted in its entirety.

C. Endorsement

Use Loss Assessment Coverage Endorsement **HO 04 35**.

512. LOSS OF USE – INCREASED LIMIT

- A. When the limit of liability for Coverage **D** is increased, charge the rate per \$1,000 of additional insurance.
- B. Charge **\$7.08*** per \$1,000 of additional insurance.

**513. ORDINANCE OR LAW INCREASED AMOUNT OF
COVERAGE**

This section is deleted in its entirety.

* Deductible Factor Applies

511. LOSS ASSESSMENT COVERAGE

514. OTHER STRUCTURES**A. On-Premises Structures**

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits**a. Premium**

Charge **\$7.08*** per \$1,000 of additional insurance.

b. Endorsement

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48**.

2. Structure On The Residence Premises Rented To Others**a. Premium**

Use the sum of:

- (1) Charge **\$10.63*** 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.

b. Use Structures Rented to Others – Residence Premises Endorsement **HO 04 40.****B. Structures Off The Residence Premises****1. Form HO 00 03****a. Coverage Description**

- (1) The policy automatically provides Coverage **B** - Other Structures at 10% of Coverage **A** on a blanket basis to structures located on the residence premises.
- (2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

b. Premium

Charge **\$26.58*** per policy.

c. Endorsement

Use Other Structures Away From The Residence Premises **HO 04 91**.

2. All Forms**a. Premium**

- (1) When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance shall apply separately to each location.
- (2) Charge **\$8.87*** per \$1,000 of insurance.

b. Endorsement

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

515. PERSONAL PROPERTY**A. Increased Limit**

1. The limit of liability for Coverage **C** may be increased.
2. Charge **\$3.54*** per \$1,000 of insurance.

B. Increased Limits - Other Residences

1. 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.
2. Charge **\$12.41*** per \$1,000.
3. Use Increased Limits On Personal Property In Other Residences Endorsement **HO 04 50**.

C. Reduction in Limit

1. The limit of liability for Coverage **C** may be reduced to an amount not less than 40% of the limit for Coverage **A**.
2. The credit per \$1,000 is **\$1.79***.

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.

Charge **\$28.34*** per \$1,000.

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.

Charge **\$10.63*** per \$100 for Money and **\$7.08*** per \$100 for Securities.

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.

Charge **\$2.00*** per \$500.

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.

Charge **\$5.33*** per \$100.

* Deductible Factor Applies

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.

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

Rate: **\$17.71*** per \$500.

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

E. Refrigerated Personal Property

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. A deductible of \$100 applies.

Charge **\$18.00** per policy.

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

F. Theft Coverage Increase - HO 00 08

This section is deleted in its entirety.

516. PERSONAL PROPERTY - SCHEDULED

Class of Property	Rate Per \$100	Maximum Item Limit	Maximum Class Limit
Jewelry	\$1.25	\$25,000	\$100,000
Furs	\$0.40	\$25,000	\$100,000
Silverware	\$0.60	\$25,000	\$100,000
Fine Arts	\$0.25	\$25,000	\$100,000
Cameras	\$1.65	\$25,000	\$100,000
Musical Instruments	\$0.55	\$25,000	\$100,000

Limits in excess of \$15,000 per item must be submitted for approval prior to any coverage being bound.

Individual items valued between \$1,000 and \$4,999 require an appraisal that is less than 5 years old. Individual items valued at \$5,000 or more require a current appraisal.

The maximum insured value for scheduled items is \$100,000 in aggregate for all classes. Scheduled items totaling \$50,000 or more require prior underwriting approval.

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

517. RENTAL TO OTHERS – EXTENDED THEFT COVERAGE

A. Coverage Description

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

B. Premium

Charge **\$53.16*** per policy.

C. Endorsement

Use Extended Theft Coverage For Residence Premises Occasionally Rented To Others Endorsement **HO 05 41**.

518. SINKHOLE COLLAPSE COVERAGE

This section is deleted in its entirety.

519. SPECIAL COMPUTER COVERAGE

A. Coverage Description

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

B. Premium

Charge **\$26.58*** per policy.

C. Endorsement

Use Special Computer Coverage Endorsement **HO 04 14**.

520. LIVESTOCK COLLISION COVERAGE

This section is deleted in its entirety.

* Deductible Factor Applies

521. WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE**A. Coverage Description**

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

B. Coverage Option

The policy may be endorsed to provide such coverage for a limit of liability of \$7,500 above the all perils deductible amount.

C. Premium

Charge **\$60.00*** per policy.

D. Endorsement

Use Water Back-up And Sump Discharge Or Overflow Endorsement **HO 95 50**.

522. LANDLORDS FURNISHINGS

This section is deleted in its entirety.

523. ASSISTED LIVING CARE COVERAGE

This section is deleted in its entirety.

524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD

This section is deleted in its entirety.

525. MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

This section is deleted in its entirety.

526. RESIDENCE HELD IN TRUST

This section is deleted in its entirety.

527. STUDENT AWAY FROM HOME

This section is deleted in its entirety.

528. HOME BUSINESS INSURANCE COVERAGE

This section is deleted in its entirety.

529. MODIFIED OTHER INSURANCE AND SERVICE AGREEMENT CONDITION

This section is deleted in its entirety.

530. – 600. RESERVED FOR FUTURE USE

HOMEOWNERS PACKAGE ENDORSEMENTS

PLATINUM PACKAGE (HO 00 03)

Available only with:

Minimum Deductible: \$1,000 All Perils or 1% Wind/Hail

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 50% of Coverage A

Replacement Cost – Unscheduled Personal Property

Coverage C limit increased to 70% of Coverage A

Coverage D limit increased to 40% of Coverage A

Increased Special Limits as shown in the form

Mortgage Protection - the insured's mortgage payment on a first trust deed or mortgage on the insured dwelling will be paid, up to \$1,500 per month for up to 12 months, when the home remains uninhabitable 90 days after a covered loss.

Refrigerated Property Coverage – the insured's covered property stored in a freezer or refrigerator on the residence premises will be covered up to \$500 for loss due to loss of power or mechanical failure.

Lock Replacement – reasonable expenses will be covered to re-key the insured's exterior locks when the keys to those locks are a part of a covered theft loss.

% of Adjusted Base Premium..... 45.0%

Use Platinum Homeowners Package Endorsement **HO 94 11**.

GOLD PACKAGE (HO 00 03)

Available only with:

Deductibles: Open to All

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 30% of Coverage A

Replacement Cost – Unscheduled Personal Property

Coverage C limit increased to 65% of Coverage A

Coverage D limit increased to 35% of Coverage A

Increased Special Limits as shown in the form

Mortgage Protection - the insured's mortgage payment on a first trust deed or mortgage on the insured dwelling will be paid, up to \$1,500 per month for up to 12 months, when the home remains uninhabitable 90 days after a covered loss.

% of Adjusted Base Premium.....34.0%

Use Homeowners Package Endorsement **HO 94 12**.

PLUS PACKAGE (HO 00 03)

Available only with:

Deductibles: Open to All

The Homeowners Package endorsement includes the following coverages:

Extended Replacement Cost – 15% of Coverage A

Replacement Cost – Unscheduled Personal Property

Coverage C limit increased to 60% of Coverage A

Increased Special Limits as shown in the form

% of Adjusted Base Premium.....19.0%

Use Homeowners Plus Package Endorsement **HO 94 13**.

CATASTROPHE PROTECTION (HO 00 03)

This endorsement provides an additional amount of Coverage A, B, and/or D if the insured sustains a covered loss that exceeds the amount of Coverage A shown in the declarations, and is a direct result of an occurrence or series of occurrences that are assigned a catastrophe serial number by the Property Claims Service® unit of Insurance Services Office, Inc. The insured has the option to apply the additional amount of coverage to Coverage A, B, and/or D individually or collectively.

Coverage equal to % of Coverage A	Premium
100%	Included

This coverage is in addition to Extended Replacement Cost coverage.

Use Catastrophe Protection: Additional Limits of Liability Endorsement **HO 95 23**.

LANDLORD’S ENDORSEMENT

When the property is not owner-occupied and is regularly rented or held for rental to others, this endorsement must be added. This endorsement amends the policy to provide a base limit of \$5,000 of Coverage C Personal Property Coverage, a base limit of Coverage D Loss of Use of 30% of the Coverage A limit of liability, and limits liability and medical payments coverage to those losses that occur on the property. Increased Coverage C limits are available for an additional premium. If this endorsement is added, only optional endorsements HO0312, HO0410, HO0416, HO0420, HO0435, HO0448, HO0477, HO0490, HO9523 and HO9550 are available.

% of premium..... 1% (see Rule **301**.)

Use Landlord’s Endorsement **HO 95 18**.

OCCUPANCY CHARGE

An occupancy charge of 10% will be applied to all policies where the insured property is not the primary residence or when the number of dwelling units is greater than one.

SECTION II – LIABILITY – ADDITIONAL COVERAGES AND INCREASED LIMITS RULES

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

A. Residence Premises

1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 101.

2. Increased limits rates are as follows:

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1 family	Included	\$5.00	\$19.00	\$28.00	\$33.00	\$47.00	\$40.00	\$46.00	\$60.00
2 families	Included	\$5.00	\$19.00	\$28.00	\$33.00	\$47.00	\$40.00	\$46.00	\$60.00

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

B. Other Exposures

- The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise indicated.
- If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

602. OTHER INSURED LOCATION OCCUPIED BY INSURED

A. Introduction

- 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.
- 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.

B. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1 family	\$12.00	\$14.00	\$19.00	\$15.00	\$17.00	\$22.00	\$16.00	\$18.00	\$23.00
2 families	\$24.00	\$26.00	\$31.00	\$30.00	\$32.00	\$37.00	\$33.00	\$34.00	\$40.00

603. RESIDENCE EMPLOYEES

This section is deleted in its entirety.

604. ADDITIONAL RESIDENCE RENTED TO OTHERS

A. Introduction

- The policy may be endorsed to provide coverage when an additional residence is rented to others.
- If the additional residence rented to others is in another state, refer to the Manual for that state.

B. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1 family	\$109.00	\$111.00	\$117.00	\$136.00	\$138.00	\$143.00	\$148.00	\$150.00	\$155.00
2 families	\$173.00	\$175.00	\$180.00	\$214.00	\$216.00	\$221.00	\$233.00	\$235.00	\$240.00

C. Endorsement

Use Additional Residence Rented To Others Endorsement **HO 24 70**.

605. OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES

A. Coverage Description

1. The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.
2. Refer to Rule 514.A.2. for rating Section I Coverage.

B. Premium

\$100,000			\$300,000			\$500,000		
\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
\$109.00	\$111.00	\$117.00	\$136.00	\$138.00	\$143.00	\$148.00	\$150.00	\$155.00

C. Endorsement

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

606. COMPUTER-RELATED DAMAGE OR INJURY EXCLUSION AND COVERAGE OPTIONS

This section is deleted in its entirety.

607. HOME DAY CARE COVERAGE

This section is deleted in its entirety.

608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES AND OTHER RESIDENCES

A. Coverage Description

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

1. Residence Premises

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

2. Other Residence

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

B. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
Per Residence Premises	\$30.00	\$39.00	\$64.00	\$38.00	\$46.00	\$71.00	\$41.00	\$50.00	\$75.00
Other Residence	\$32.00	\$38.00	\$52.00	\$40.00	\$45.00	\$59.00	\$44.00	\$49.00	\$63.00

609. BUSINESS PURSUITS

A. Coverage Description

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. Premium

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
1. Clerical	\$8.00	\$10.00	\$15.00	\$10.00	\$12.00	\$17.00	\$11.00	\$13.00	\$18.00
2. Sales - Incl. Installation	\$12.00	\$14.00	\$19.00	\$15.00	\$17.00	\$22.00	\$16.00	\$18.00	\$23.00
Excl. Installation	\$8.00	\$10.00	\$15.00	\$10.00	\$12.00	\$17.00	\$11.00	\$13.00	\$18.00
3.a. Teachers – Lab, etc.	\$22.00	\$26.00	\$35.00	\$28.00	\$31.00	\$40.00	\$30.00	\$33.00	\$42.00
3.b. Teachers - NOC	\$10.00	\$12.00	\$17.00	\$13.00	\$14.00	\$20.00	\$14.00	\$15.00	\$21.00

C. Endorsement

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

610. PERSONAL INJURY

A. Introduction

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. Premium

\$100,000			\$300,000			\$500,000		
\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
\$23.00	N/A	N/A	\$29.00	N/A	N/A	\$31.00	N/A	N/A

C. Endorsement

Use Personal Injury Endorsement **HO 24 82**.

611. INCIDENTAL LOW POWER RECREATIONAL MOTOR VEHICLES

A A. Coverage Description

1. The policy may be endorsed to provide liability coverage for certain types of recreational motor vehicles that cannot exceed a speed of 15 miles per hour on level ground. However, even with the endorsement there is no coverage for such vehicles if, at the time and place of an occurrence, the involved vehicle:
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by law, or regulation issued by a government agency, for it to be used at the place or an "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. The following may not be covered:
 - a. Motorized bicycles;
 - b. Motorized Golf carts; or
 - c. Mopeds.

B. Premium

\$100,000			\$300,000			\$500,000		
\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
\$27.00	\$28.00	\$34.00	\$33.00	\$35.00	\$40.00	\$36.00	\$38.00	\$43.00

C. Endorsement

Use Incidental Low Power Recreational Motor Vehicle Endorsement **HO 24 13**.

612. OUTBOARD MOTORS AND WATERCRAFT

A. Introduction

Coverage is included in the policy form, at no additional charge, for certain 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. Coverage is also included for watercraft powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump, of 50 horse power or less when not owned by an insured or more than 50 horse power when not owned by or rented to an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage for the following types of craft:
 - a. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower; or powered by inboard or inboard-outdrive engines or motors, including those that power a water jet pump.
 Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
 - b. Sailboats 26 feet or more in overall length, with or without auxiliary power.
2. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
3. For watercraft not described in preceding Paragraphs **A.** and **B.1.**, coverage isn't permitted under the Homeowners Policy.
4. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.

C. Premium

Outboard, Inboard, or Inboard-Outdrive Engines or Motors

Up to 15 ft. length Horsepower	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
up to 50+	\$9.00	\$15.00	\$29.00	\$11.00	\$17.00	\$31.00	\$12.00	\$18.00	\$32.00
51 to 100	\$16.00	\$23.00	\$40.00	\$19.00	\$26.00	\$44.00	\$21.00	\$28.00	\$46.00
Over 101	\$22.00	\$33.00	\$59.00	\$27.00	\$38.00	\$64.00	\$30.00	\$40.00	\$67.00

Over 15 to 26 ft. Horsepower	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
up to 50+	\$14.00	\$21.00	\$39.00	\$18.00	\$25.00	\$43.00	\$19.00	\$26.00	\$44.00
51 to 100	\$21.00	\$31.00	\$58.00	\$26.00	\$36.00	\$63.00	\$28.00	\$39.00	\$65.00
101 to 150	\$27.00	\$41.00	\$77.00	\$34.00	\$48.00	\$83.00	\$37.00	\$51.00	\$86.00
Over 151	\$34.00	\$55.00	\$108.00	\$42.00	\$63.00	\$116.00	\$45.00	\$66.00	\$120.00

Sailboats with or without auxiliary power

	\$100,000			\$300,000			\$500,000		
	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
	\$9.00	\$15.00	\$29.00	\$11.00	\$17.00	\$31.00	\$12.00	\$18.00	\$32.00

D. Endorsement

Use Watercraft Endorsement **HO 24 75.**

613. OWNED SNOWMOBILE

This section is deleted in its entirety.

614. FARMERS PERSONAL LIABILITY

This section is deleted in its entirety.

615. INCIDENTAL FARMING PERSONAL LIABILITY

This section is deleted in its entirety.

616. OPTIONAL PROPERTY REMEDIATION FOR ESCAPED LIQUID FUEL AND LIMITED LEAD AND ESCAPED LIQUID FUEL LIABILITY COVERAGES

This section is deleted in its entirety.

617. – 700. RESERVED FOR FUTURE USE

PAYMENT PLAN

1. Mortgagee Bill
2. Direct Bill

	Down payment Required	Number of Remaining Installments	Installment Charge (per installment)	
Full pay	100%	--	--	
2 pay	50%	1	\$7	Installment Due in 30 Days
3 pay	40%	2	\$7	Installments Due Every 30 Days
4 pay*	25%	3	\$7	Installments Due Every 30 Days
6 pay*	25%	5	\$7	Installments Due Every 30 Days
9 pay*	25%	8	\$7	Installments Due Every 30 Days

* Available only for total annual premiums over \$500.

- The Installment Charge does not apply to the Down payment.
- Payment may be made in full at anytime with no further Installment Charges.

POLICY FEES

New Business	\$35
Renewals	\$17

ADDITIONAL RULES

A1. SPECIAL STATE REQUIREMENTS

A. Special Provisions Endorsement HO 01 38

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. Lead Poisoning Exclusion Endorsement HO 24 11

Use this endorsement with all Homeowners policies that insure one or more locations with buildings built before 1978 which contain one or more residential units rented or held for rental to others.

D. Actual Cash Value Definition HO 90 80

Use this endorsement with all Homeowners policies.

E. Unit-Owners Coverage A - Special Coverage Endorsement HO 17 32

Use this endorsement with all HO 00 06 policies.

F. Unit-Owners Modified Other Insurance and Service Agreement Condition HO 17 34

Use this endorsement with all HO 00 06 policies.

G. Water Exclusion Endorsement HO 16 09

Use this endorsement with all HO 00 06 policies.

H. Water Exclusion Endorsement HO 16 10

Use this endorsement with all HO 00 03 policies.

I. Animal Liability Limitation HO 93 98

Use this endorsement with all Homeowners policies.

J. Limitation Endorsement for Mold and Other Fungi, and Wet or Dry Rot, Damage HO 93 99

Use this endorsement with all Homeowners policies.

K. OFAC Notice to Policyholders IL P 001

Use this endorsement with all Homeowners policies.

L. Important Notice Regarding Your Policy PH RI 01

Use this endorsement with all Homeowners policies.

A5. LEAD POISONING EXCLUSION

A. Exclusion

1. Coverage may be excluded for bodily injury arising out of lead poisoning in any of the following:

- a. A one to four family residential building built before 1978 that contains one or more residential units rented or held for rental to others
- b. A residential unit in any condominium or cooperative residential building before 1978 that is rented or held for rental to others.

Use Lead Poisoning Exclusion Endorsement **HO 24 11**.

2. The exclusion applies to a one to four family residential building, or a condominium or cooperative unit, **built before 1978**, without proof of Prima Facie Evidence Of Compliance for all such pre-1978 properties.

3. The exclusion does not apply to:

- a. A one family dwelling or a condominium or cooperative unit owned and occupied by an insured.
- b. A one to four family residential building **built before 1978**, or a condominium or cooperative unit rented or held for rental to others, for which Prima Facie Evidence of Compliance is in effect.

4. The exclusion ceases to apply for property for which Prima Facie Evidence of Compliance has been obtained during the policy period, on and after the date such evidence of compliance is in force.

5. Refer to Paragraph **C.1.** of the rule for Premium Development.

B. Notification Requirements

1. The insured shall be provided with a Disclosure Notice when applying for insurance, or if a renewal, with each Renewal Policy delivered.
2. The Notice shall contain information on the following:
 - a. The lead poisoning exclusion that may apply; and
 - b. The insurer's responsibilities to assist the insured in placing lead liability coverage through the FAIR Plan if the lead poisoning exclusion applies.

C. Premium Development

When Lead Poisoning Exclusion Endorsement **HO 24 11** is attached to the policy, premium factors apply based on locations which were built before 1978, are rented or held for rental to others, and the presence or absence of proof of Prima Facie Evidence Of Compliance. Determine the lead poisoning exclusion and coverage option factor for the location using the following tables.

1. Primary Location

If the primary location is a 2 or more family dwelling or a condominium or cooperative unit, multiply the Base Premium plus any additional premium of Coverage **E** increased limits by the factors in the table below:

Levels Of Lead Hazard Compliance	Factor
Lead Free	1.00
Lead Safe	1.01
Lead Mitigated:	
Independent Clearance Inspection	1.02
Visual Inspection	1.03

2. Additional Locations

For each additional location, multiply the loss costs for the Additional Location, and, if applicable, the increased limits premium, by the factors in the table below:

Levels Of Lead Hazard Compliance	Factor
Lead Free	1.00
Lead Safe	1.01
Lead Mitigated:	
Independent Clearance Inspection	1.05
Visual Inspection	1.10

3. Primary And Additional Locations

If the primary Location noted in Paragraph **C.1.** and the Additional Location(s) noted in Paragraph **C.2.** are both subject to the provisions of Lead Poisoning exclusion Endorsement, add the results of Paragraphs **C.1.** and **C.2.** to arrive at your new Total Base Premium.

TERRITORY DEFINITIONS

NOTE: NEW POSTAL DEFINITIONS WILL FOLLOW THE TERRITORY OF THE FORMER ZIPCODE ASSIGNMENT

ZIP	City	County	Terr	Seq #
02801	Adamsville	Newport	34	1
02802	Albion	Providence	32	1
02804	Ashaway	Washington	34	1
02806	Barrington	Bristol	34	1
02807	Block Island	Washington	34	1
02807	New Shoreham	Washington	34	2
02808	Bradford	Washington	34	1
02809	Bristol	Bristol	34	1
02812	Carolina	Washington	34	1
02812	Richmond	Washington	34	2
02813	Charlestown	Washington	34	1
02814	Chepachet	Providence	32	1
02815	Clayville	Providence	32	1
02816	Coventry	Kent	33	1
02817	West Greenwich	Kent	33	1
02818	East Greenwich	Kent	33	1
02822	Escoheag	Washington	34	1
02822	Exeter	Washington	34	2
02823	Fiskeville	Providence	32	1
02824	Forestdale	Providence	32	1
02825	Foster	Providence	32	1
02826	Glendale	Providence	32	1
02827	Greene	Kent	33	1
02828	Greenville	Providence	32	1
02829	Harmony	Providence	32	1
02830	Harrisville	Providence	32	1
02830	Burrillville	Providence	32	2
02831	Hope	Providence	32	1
02832	Hope Valley	Washington	34	1
02832	Richmond	Washington	34	2
02833	Hopkinton	Washington	34	1
02835	Jamestown	Newport	34	1
02836	Kenyon	Washington	34	1
02836	Richmond	Washington	34	2
02837	Little Compton	Newport	34	1
02838	Manville	Providence	32	1
02839	Mapleville	Providence	32	1
02840	Newport	Newport	34	1
02841	Newport	Newport	34	1
02842	Middletown	Newport	34	1
02852	North Kingstown	Washington	34	1

ZIP	City	County	Terr	Seq #
02854	North Kingstown	Washington	34	1
02857	Scituate	Providence	32	1
02857	North Scituate	Providence	32	2
02858	Oakland	Providence	32	1
02859	Pascoag	Providence	32	1
02860	Pawtucket	Providence	31	1
02861	Pawtucket	Providence	31	1
02862	Pawtucket	Providence	31	1
02863	Central Falls	Providence	32	1
02864	Valley Falls	Providence	32	1
02864	Cumberland	Providence	32	2
02865	Lincoln	Providence	32	1
02871	Portsmouth	Newport	34	1
02872	Prudence Island	Bristol	34	1
02873	Rockville	Washington	34	1
02874	Saunderstown	Washington	34	1
02875	Shannock	Washington	34	1
02875	Richmond	Washington	34	2
02876	Slatersville	Providence	32	1
02877	Slocum	Washington	34	1
02878	Tiverton	Newport	34	1
02879	Peace Dale	Washington	34	1
02879	South Kingstown	Washington	34	2
02879	Wakefield	Washington	34	3
02879	Narragansett	Washington	34	4
02880	Wakefield	Washington	34	1
02881	Kingston	Washington	34	1
02882	Narragansett	Washington	34	1
02882	Point Judith	Washington	34	2
02883	Peace Dale	Washington	34	1
02883	South Kingstown	Washington	34	2
02885	Warren	Bristol	34	1
02886	Warwick	Kent	33	1
02887	Warwick	Kent	33	1
02888	Warwick	Kent	33	1
02889	Warwick	Kent	33	1
02891	Westerly	Washington	34	1
02892	Richmond	Washington	34	1
02892	West Kingston	Washington	34	2
02893	West Warwick	Kent	33	1
02894	Wood River Junction	Washington	34	1

STATE MANUAL

ZIP	City	County	Terr	Seq #
02895	Woonsocket	Providence	32	1
02896	North Smithfield	Providence	32	1
02898	Richmond	Washington	34	1
02898	Wyoming	Washington	34	2
02901	Providence	Providence	30	1
02902	Providence	Providence	30	1
02903	Providence	Providence	30	1
02904	Providence	Providence	30	1
02904	North Providence	Providence	32	2
02905	Providence	Providence	30	1
02905	Cranston	Providence	31	2
02906	Providence	Providence	30	1
02907	Providence	Providence	30	1
02907	Cranston	Providence	31	2
02908	Providence	Providence	30	1
02908	North Providence	Providence	32	2
02909	Providence	Providence	30	1

ZIP	City	County	Terr	Seq #
02910	Providence	Providence	30	1
02910	Cranston	Providence	31	2
02911	North Providence	Providence	32	1
02911	Providence	Providence	30	2
02912	Providence	Providence	30	1
02912	Brown Station	Providence	32	2
02914	East Providence	Providence	31	1
02915	Riverside	Providence	32	1
02916	Rumford	Providence	32	1
02917	Smithfield	Providence	32	1
02918	Friar Station	Providence	32	1
02918	Providence	Providence	30	2
02919	Johnston	Providence	32	1
02919	Providence	Providence	30	2
02920	Cranston	Providence	31	1
02921	Cranston	Providence	31	1
02940	Providence	Providence	30	1