

SERFF Tracking Number: KNIC-127064322 State: Kentucky  
Filing Company: Kentucky National Insurance Company State Tracking Number: KNIC-127064322  
Company Tracking Number:  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: KNIC Homeowners  
Project Name/Number: 3/2010 Rate Changes/KNIC HO 3/2010

## Filing at a Glance

Company: Kentucky National Insurance Company

Product Name: KNIC Homeowners

SERFF Tr Num: KNIC-127064322

State: Kentucky

TOI: 04.0 Homeowners

SERFF Status: Closed-

State Tr Num: KNIC-127064322

Acknowledged

Sub-TOI: 04.0000 Homeowners Sub-TOI  
Combinations

Co Tr Num:

State Status: Filing Closed

Filing Type: Rate/Rule

Author: Don Rickert

Reviewer(s): Diane Traylor

Date Submitted: 03/08/2011

Disposition Date: 03/09/2011

Disposition Status: Acknowledged

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

Effective Date (New): 05/01/2011

Effective Date Requested (Renewal): 06/01/2011

Effective Date (Renewal):

06/01/2011

State Filing Description:

Final Action Date 04/06/2011

## General Information

Project Name: 3/2010 Rate Changes

Project Number: KNIC HO 3/2010

Reference Organization:

Reference Title:

Filing Status Changed: 03/09/2011

State Status Changed: 03/09/2011

Created By: Don Rickert

Corresponding Filing Tracking Number:

Filing Description:

See Cover Letter.pdf

Status of Filing in Domicile: Not Filed

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date: 04/07/2011

Submitted By: Don Rickert

## Company and Contact

### Filing Contact Information

Don Rickert, Filing Manager

dhrickert@kynat.com

2709 Old Roasebud Road

859-367-5200 [Phone] 5030 [Ext]

Lexington, KY 40509

859-367-5293 [FAX]

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### Filing Company Information

Kentucky National Insurance Company	CoCode: 29149	State of Domicile: Kentucky
2709 Old Rosebud Road	Group Code:	Company Type: P&C
Lexington, KY 40509	Group Name:	State ID Number:
(859) 367-5200 ext. [Phone]	FEIN Number: 61-0846150	

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### Filing Fees

Fee Required? Yes  
Fee Amount: \$5.00  
Retaliatory? Yes  
Fee Explanation: Standard \$5.00 filing fee.  
Per Company: Yes

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Kentucky National Insurance Company	\$5.00	03/08/2011	45372951

<i>SERFF Tracking Number:</i>	<i>KNIC-127064322</i>	<i>State:</i>	<i>Kentucky</i>
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<i>Project Name/Number:</i>	<i>3/2010 Rate Changes/KNIC HO 3/2010</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Acknowledge Diane Traylor d		03/09/2011	03/09/2011

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## Disposition

Disposition Date: 03/09/2011

Effective Date (New): 05/01/2011

Effective Date (Renewal): 06/01/2011

Status: Acknowledged

Comment: Increase rates by 8.84%; slightly less than the indicated change of 12.67%. Also some minor rule changes.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Kentucky National Insurance Company	12.670%	8.841%	\$306,020	4,703	\$3,461,407	23.910%	-11.860%
	<b>Percent Change Approved:</b>						
	<b>Minimum:</b>	%	<b>Maximum:</b>	%	<b>Weighted Average:</b>		%

SERFF Tracking Number: KNIC-127064322 State: Kentucky

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum (if applicable)		Yes
Supporting Document	Filing Fee		Yes
Supporting Document	LC-1 P&C (8/00) Calculation of Loss Cost Multiplier (if applicable)		Yes
Supporting Document	LC-2 P&C (8/00) Expense Constant Supplement (if applicable)		Yes
Supporting Document	SG-2 Synopsis For Homeowners-Rate Comparisons		Yes
Supporting Document	Third Party Authorization (if applicable)		Yes
Supporting Document	Supporting Documentation		Yes
Rate	Revised Manual Pages		Yes

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## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Use & File
<b>Rate Change Type:</b>	Increase
<b>Overall Percentage of Last Rate Revision:</b>	4.190%
<b>Effective Date of Last Rate Revision:</b>	01/01/2010
<b>Filing Method of Last Filing:</b>	Use & File

## Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Kentucky National Insurance Company	N/A	12.670%	8.841%	\$306,020	4,703	\$3,461,407	23.910%	-11.860%

<i>SERFF Tracking Number:</i>	<i>KNIC-127064322</i>	<i>State:</i>	<i>Kentucky</i>
<i>Filing Company:</i>	<i>Kentucky National Insurance Company</i>	<i>State Tracking Number:</i>	<i>KNIC-127064322</i>
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## Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	Revised Manual Pages	Multiple	Replacement	KYHO0211 - Revised Manual Pages(2).pdf

# **KENTUCKY NATIONAL INSURANCE COMPANY**

## **KENTUCKY HOMEOWNERS MANUAL**

**P.O. Box 12270  
Lexington, Kentucky 40582-2270**

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## KENTUCKY

### KENTUCKY NATIONAL INSURANCE COMPANY New Homeowners Business Company Selection and Agent Binding Limitations

#### 1. General Requirements:

- A. All business placed by the agent with the Company must originate from persons licensed for the agency by the Company. Brokered business is not acceptable and is deemed to be a violation of the Agent-Company Agreement.
- B. All applications or binders must be submitted (uploaded) to the Company not later than the fourth business day following the inception of coverage.
- C. Risks meeting the underwriting requirements outlined below may be bound, not to exceed limits shown. Risks not qualifying may be submitted UNBOUND as outlined on Rule 5.

#### 2. The following characteristics are indicative of homeowner risks that we actively seek to insure in our Blue Ribbon, Medalist and Vantage Programs:

##### A. Insured/Applicant

- 1) Personal stability in employment, personal, and financial affairs.
- 2) Employment and lifestyle do not increase exposure to loss.
- 3) Favorable prior insurance history with established good loss record.
- 4) Pride of ownership in home.
- 5) Personally known and recommended by producing contracted agent or agency employee.

##### B. Physical Characteristics of Home

- 1) Homes that reflect pride of ownership with good maintenance and upkeep.
- 2) Located in stable or improving area with favorable impact on market value.
- 3) Building features which do not present a greater expectation of property or liability losses.
- 4) Homes that are not over-valued for their neighborhood.
- 5) Homes used for private residential living purposes with no business conducted on the premises. The home must meet all eligibility requirements in the Kentucky National Homeowners Manual.

#### 3. Program Underwriting Requirements

	Blue Ribbon	Medalist	Vantage
<b>Coverage A</b>			
<b>Minimum/Maximum</b>			
<b>Forms</b>			
<b>HO 00 03</b>	\$125,000 to \$500,000	\$100,000 to \$350,000	\$50,000 to \$250,000
<b>HO 00 08</b>	N/A	N/A	\$40,000 to \$150,000
<b>Coverage C</b>			
<b>Minimum/Maximum</b>			
<b>Forms</b>			
<b>HO 00 04</b>	N/A	\$12,000 to \$75,000	\$12,000 to \$75,000
<b>Medical Payments</b>			
<b>Minimum/Maximum</b>	\$1,000 to \$5,000	\$1,000 to \$5,000	\$1,000 to \$5,000
<b>Minimum Deductible</b>	\$500	\$500	\$500

## KENTUCKY

### KENTUCKY NATIONAL INSURANCE COMPANY New Homeowners Business Company Selection and Agent Binding Limitations

#### 3. Program Underwriting Requirements (cont'd)

	Blue Ribbon	Medalist	Vantage
<b>Heating</b>	Central	Central	Central or Floor Furnace
<b>Wiring</b>	Circuit Breakers required	Circuit Breakers required	Circuit Breakers required.
<b>Roof Material</b>	Asphalt Shingle, Tile, Wood Shake Shingle, Slate or Standing Seam Metal roofs acceptable. Rolled roofing in unacceptable.		
<b>Form</b>	HO 00 03 and HO 00 03 with HO 00 15	HO 00 03 HO 00 03 with HO 00 HO 00 04	HO 00 03 HO 00 04 & HO 00 08
<b>Fire Protection</b>	1 – 8	1 – 9 (See Note 1)	1 – 10 (See Note 1)
<b>Losses - Natural Causes</b>	KRS 304.20-340(8) states that a company may not decline or terminate coverage based solely upon the fact that the insured has one or more losses that immediately resulted from natural cause without the intervention of any person and that could not have been prevented by the exercise of prudence, diligence and care.		
<b>Losses - Other</b>	None	None	One (See Note 2)
<b>Total / Major Losses See Note 1</b>	None	None	None
<b>Prior Insurance</b>	Required	Required	Required
<b>Insurance to Value Form HO 00 03</b>	90%	80%	80%

**Schedules:** Contact your underwriter prior to binding schedules exceeding 25% of Coverage A or single items exceeding \$10,000 (HO 00 04 - 25% of Coverage C). Single items valued in excess of \$1,500 require an appraisal.

**Note 1:** A risk with a protection class of 9 will only be accepted if it located in a named and platted subdivision containing at least twenty (20) dwellings. A risk with a protection class of 10 will only be accepted in our Vantage program.

**Note 2:** Risks with a prior total fire loss or a major loss including any fire loss or theft loss in excess of \$15,000 or any other loss that is not weather or catastrophe related in excess of \$10,000 may not be bound.

## KENTUCKY

### KENTUCKY NATIONAL INSURANCE COMPANY New Homeowners Business Company Selection and Agent Binding Limitations

#### 4. Additional Underwriting requirements:

- A. Homes over 30 years of age must have had the roof replaced, heating system updated, plumbing updated, and the electrical wiring updated.
- B. Photographs showing front and rear of dwelling must be submitted with each application.
- C. A Completed Home Cost Estimator.
- D. House must be visible by at least two (2) separate neighbors.
- E. **Unacceptable Heat Sources**
  - 1) Solid fuel burning devices including, but not limited to solid fuel-fired stoves, solid fuel-fired cooking stoves and combination fuel furnaces or boilers which burn solid fuel such as, but not limited to coal, wood, peat, charcoal, hexamine fuel tablets, wood pellets or pellets made from corn, wheat, rye, or other grains, or any other combustion source deemed to be solid fuel are unacceptable.
  - 2) Kerosene heaters and electric space heaters used as primary heat source or full time secondary source are unacceptable.
  - 3) Wall heaters not acceptable.
- F. The following liability exposures are **unacceptable**:
  - 1) Trampolines
  - 2) Vicious dog breeds (Akita, Chow, Doberman, Pit Bull, Rottweiler and Siberian Husky) or dogs that have previously bitten someone or are overly aggressive.
  - 3) Unfenced swimming pools.
- G. **Prefabricated and Modular Homes** may be written in our Vantage (Standard) program if the dwelling:
  - 1) Is on a permanent block or masonry foundation. Block/Masonry must cover entire foundation perimeter.
  - 2) Has a gabled roof with tab shingles.
  - 3) Is a true modular home.

5. **Trial Application.** When submitting an application for prior approval because either the proposed premises or the insured do not meet the binding requirements of the company, please: (1) omit any effective date; (2) do not require signature of the applicant; and, (3) do not accept any premium deposit from the applicant.

**KENTUCKY NATIONAL INSURANCE COMPANY  
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GENERAL RULES**

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**KENTUCKY NATIONAL INSURANCE COMPANY  
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**105. SECONDARY RESIDENCE PREMISES**

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- A.** Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.
- B.** When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made:
1. Reduce the BASE PREMIUM for the policy covering the secondary residence by \$18.
  2. Add the charge for Other Insured Location Occupied by Insured, developed from Rule 602., to the policy covering the initial residence.

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**106. PROTECTION CLASSIFICATION CODES AND INFORMATION**

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**A. Codes**

Protection Class	Code
1	01
2	02
3	03
4	04
5	05
6	06
7	07
8	08
9	09
10	10

**B. Protection Information**

The Protection Class listings in the Public Protection Classification manual apply to risks insured under Homeowners Program policies unless the dwelling qualifies for our Special Suburban Fire Classification.

1. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.).

2. In a classified area where two or more classifications are shown (e.g. 6/9), the classification is determined as follows:

DISTANCE TO FIRE STATION	CLASS
--------------------------	-------

- |  |    |
|--|----|
| a. 5 road miles or less with hydrant within 1,000 feet | *  |
| * First protection class (e.g. 6/9 . . . use Class 6)  |    |
| b. 5 road miles or less with hydrant beyond 1,000 feet | 9  |
| c. Over 5 road miles                                   | 10 |

3. All other properties are Class 10.

**C. Suburban Homeowner Fire Protection Program**

A primary dwelling may be rated as a Town Class 8 if it meets all of the following requirements:

1. The dwelling is located in a named and platted subdivision containing 20 or more homes;
2. A fire department of a recognized Town Class 1-8 city will respond;
3. Located within 1,000 feet of a year-round water source that can supply a minimum of 1,500 gallons of water to the site. A year-round water source may be any of the following: (1) an operating public fire hydrant, or (2) lake, pool, reservoir, or (3) pumper and tanker trucks belonging to the responding fire department;
4. The dwelling must be visible from the road;
5. The dwelling must be located on an all-weather state, county or city maintained road; and
6. Must be within 5 miles of the primary responding fire department.

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**107. CONSTRUCTION DEFINITIONS**

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**A. Frame**

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports. (Use Construction Code 1.)

Aluminum or plaster siding over frame. (Use Construction Code 5.)

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

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**201. POLICY PERIOD**

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All policies are written on an annual term and may be extended for successive policy periods by extension certificate based on the premiums, forms and endorsements then in effect for the Company.

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**202. PAYMENT PLANS**

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The Company will offer optional payment plans as follows:

1. One payment option - no billing service fee shall apply.
2. Two payment option - a \$5 billing service fee will be added to each direct bill payment.
3. Four payment option - a \$5 billing service fee will be added to each direct bill payment.
4. Five payment option - a \$5 billing service fee will be added to each direct bill payment.
5. Twelve payment option - a \$5 billing service fee will be added to each direct bill payment. Policy premium must be greater than \$350 to elect this payment plan.
6. Twelve payment EFT from insured's bank account – a \$1 service fee will be added to each bank draft.

The Company reserves the right to offer alternative payment options with the annual term.

---

**203. CHANGES OR CANCELLATIONS**

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

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**204. MANUAL PREMIUM REVISION**

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

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

---

**205. MINIMUM PREMIUM**

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- A. For prepaid policies the minimum **annual** premium of \$100 shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than \$25.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.

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**206. TRANSFER OR ASSIGNMENT**

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Policies may not be transferred or assigned.

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**207. WAIVER OF PREMIUM**

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When a policy is endorsed after the inception date, any additional or return premium of \$5 or 5%, whichever is less, may be waived, except that a return premium shall be returned to the insured on request.

---

**208. ROUNDING RULE**

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All premium calculations will be rounded to the nearest cent.

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**209. RESTRICTION OF INDIVIDUAL POLICIES**

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

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**210. SPECIAL STATE REQUIREMENTS**

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- **Special Provisions Endorsement – PCH-2106**  
Use this endorsement with all Homeowners policies.
- **Personal Property Replacement Cost – HO 04 90**  
Use this endorsement with all Homeowners policies.
- **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.
- **Lead Liability Exclusion – PCH-2135**  
Use this endorsement with all Homeowners policies.

# KENTUCKY NATIONAL INSURANCE COMPANY HOMEOWNERS POLICY PROGRAM MANUAL

## 301. BASE PREMIUM COMPUTATION (cont'd)

**Territory Definitions** - (For all Coverages and Perils Other Than Earthquake).

The City of	County of	Code
Benton	Marshall	4
Corbin	Knox, Whitley	4
London	Laurel	4

The City of	County of	Code
Radcliff	Hardin	1
Somerset	Pulaski	4

### Other Than Cities

County of	Code	County of	Code	County of	Code	County of	Code
Adair	3	Edmonson	5	Knox	6	Nicholas	2
Allen	3	Elliott	6	Larue	3	Ohio	4
Anderson	3	Estill	6	Laurel	5	Oldham	2
Ballard	5	Fayette	1	Lawrence	4	Owen	3
Barren	3	Fleming	4	Lee	6	Owsley	6
Bath	6	Floyd	5	Leslie	6	Pendleton	3
Bell	6	Franklin	2	Letcher	6	Perry	6
Boone	1	Fulton	5	Lewis	4	Pike	5
Bourbon	2	Gallatin	3	Lincoln	2	Powell	3
Boyd	4	Garrard	2	Livingston	5	Pulaski	5
Boyle	2	Grant	1	Logan	5	Robertson	3
Bracken	1	Graves	5	Lyon	5	Rockcastle	5
Breathitt	6	Grayson	3	McCracken	5	Rowan	6
Breckinridge	3	Green	3	McCreary	6	Russell	3
Bullitt	3	Greenup	4	McLean	5	Scott	2
Butler	5	Hancock	3	Madison	2	Shelby	2
Caldwell	4	Hardin	2	Magoffin	6	Simpson	5
Calloway	5	Harlan	6	Marion	2	Spencer	3
Campbell	1	Harrison	2	Marshall	5	Taylor	3
Carlisle	5	Hart	5	Martin	6	Todd	5
Carroll	3	Henderson	3	Mason	1	Trigg	5
Carter	4	Henry	3	Meade	3	Trimble	3
Casey	4	Hickman	5	Menifee	6	Union	5
Christian	5	Hopkins	5	Mercer	2	Warren	3
Clark	2	Jackson	6	Metcalfe	3	Washington	2
Clay	6	Jefferson	*	Monroe	5	Wayne	5
Clinton	5	Jessamine	2	Montgomery	2	Webster	5
Crittenden	5	Johnson	5	Morgan	4	Whitley	6
Cumberland	5	Kenton	1	Muhlenberg	5	Wolfe	6
Daviess	3	Knott	6	Nelson	2	Woodford	2

\* Jefferson County Territories

Territory 7 - Zip Codes 40023, 40059, 40205, 40207, 40220, 40222, 40223, 40241, 40242, 40243, 40245, 40291, 40299

Territory 8 - Zip Codes 40118, 40202, 40204, 40206, 40208, 40209, 40213-40219, 40228, 40229, 40258, 40272

Territory 9 - Zip Codes 40201, 40203, 40210, 40211, 40212



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**301. BASE PREMIUM COMPUTATION (cont'd)**

Classification and Key Factor Tables

**A. 1. All Forms Except HO 00 04.**

**KEY PREMIUMS**

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
1	1 - 4	M	383	461	467	566	560	743
	1 - 4	F	441	529	537	650	643	854
	5 - 6	M	397	476	483	586	579	769
	5 - 6	F	441	529	537	650	643	854
	7	M	426	513	520	630	624	828
	7	F	498	598	606	735	726	965
	8	M	480	576	586	709	700	931
	8	F	520	624	632	768	759	1,007
	9	M	N/A	N/A	832	956	996	1,254
	9	F	N/A	N/A	1,127	1,197	1,350	1,571
	10	M	N/A	N/A	N/A	1,631	1,937	2,142
	10	F	N/A	N/A	N/A	2,281	2,581	2,995

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
2	1 - 4	M	407	490	526	636	631	839
	1 - 4	F	469	562	605	732	725	965
	5 - 6	M	421	507	546	660	654	868
	5 - 6	F	469	562	605	732	725	965
	7	M	454	547	587	711	705	935
	7	F	529	635	683	827	820	1,090
	8	M	510	613	660	798	791	1,052
	8	F	553	664	714	865	857	1,138
	9	M	N/A	N/A	936	1,076	1,125	1,418
	9	F	N/A	N/A	1,271	1,347	1,523	1,776
	10	M	N/A	N/A	N/A	1,800	2,144	2,373
	10	F	N/A	N/A	N/A	2,518	2,857	3,320

**FOOTNOTES**

- \* Masonry Veneer is rated as Masonry.  
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**301. BASE PREMIUM COMPUTATION (cont'd)**

Classification and Key Factor Tables

**A. 1. All Forms Except HO 00 04.**

**KEY PREMIUMS**

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
3	1 - 4	M	463	556	567	685	681	907
	1 - 4	F	532	639	653	787	784	1,040
	5 - 6	M	479	575	589	708	706	937
	5 - 6	F	532	639	653	787	784	1,040
	7	M	517	619	633	764	760	1,010
	7	F	601	722	737	890	887	1,175
	8	M	579	696	711	859	855	1,135
	8	F	628	754	772	929	926	1,227
	9	M	N/A	N/A	1,012	1,158	1,215	1,531
	9	F	N/A	N/A	1,371	1,450	1,646	1,916
	10	M	N/A	N/A	N/A	1,900	2,272	2,511
	10	F	N/A	N/A	N/A	2,658	3,027	3,512

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
4	1 - 4	M	533	639	707	855	850	1,126
	1 - 4	F	612	736	812	982	976	1,294
	5 - 6	M	552	662	731	884	879	1,164
	5 - 6	F	612	736	812	982	976	1,294
	7	M	593	712	788	952	946	1,255
	7	F	692	831	917	1,110	1,102	1,461
	8	M	667	802	885	1,071	1,063	1,410
	8	F	723	868	959	1,159	1,151	1,526
	9	M	N/A	N/A	1,258	1,443	1,513	1,901
	9	F	N/A	N/A	1,706	1,807	2,048	2,379
	10	M	N/A	N/A	N/A	2,313	2,761	3,045
	10	F	N/A	N/A	N/A	3,235	3,678	4,261

**FOOTNOTES**

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**KENTUCKY NATIONAL INSURANCE COMPANY  
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**301. BASE PREMIUM COMPUTATION (cont'd)**

Classification and Key Factor Tables

**A. 1. All Forms Except HO 00 04.**

**KEY PREMIUMS**

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
5	1 - 4	M	536	643	760	923	911	1,212
	1 - 4	F	615	738	874	1,061	1,048	1,393
	5 - 6	M	552	664	786	954	944	1,254
	5 - 6	F	615	738	874	1,061	1,048	1,393
	7	M	596	715	847	1,029	1,016	1,350
	7	F	694	834	988	1,198	1,184	1,574
	8	M	670	804	952	1,155	1,142	1,519
	8	F	726	870	1,031	1,252	1,237	1,643
	9	M	N/A	N/A	1,356	1,558	1,625	2,049
	9	F			1,835	1,951	2,202	2,563
	10	M	N/A	N/A	N/A	2,533	3,009	3,328
	10	F				3,543	4,008	4,655

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
6	1 - 4	M	666	799	986	1,195	1,181	1,570
	1 - 4	F	766	917	1,133	1,372	1,361	1,804
	5 - 6	M	690	826	1,019	1,234	1,224	1,625
	5 - 6	F	766	917	1,133	1,372	1,361	1,804
	7	M	743	891	1,098	1,331	1,319	1,750
	7	F	865	1,037	1,280	1,551	1,537	2,039
	8	M	835	1,001	1,234	1,496	1,483	1,968
	8	F	904	1,084	1,337	1,619	1,605	2,129
	9	M	N/A	N/A	1,756	2,017	2,108	2,652
	9	F			2,379	2,525	2,855	3,321
	10	M	N/A	N/A	N/A	3,128	3,725	4,115
	10	F				4,377	4,961	5,757

**FOOTNOTES**

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**KENTUCKY NATIONAL INSURANCE COMPANY  
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**301. BASE PREMIUM COMPUTATION (cont'd)**

Classification and Key Factor Tables

**A. 1. All Forms Except HO 00 04.**

**KEY PREMIUMS**

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
7	1 - 4	M	441	529	586	706	684	912
	1 - 4	F	506	607	673	811	786	1,048
	5 - 6	M	456	547	605	730	707	943
	5 - 6	F	506	607	673	811	786	1,048
	7	M	492	589	653	787	762	1,017
	7	F	573	686	760	917	888	1,185
	8	M	553	662	734	885	857	1,143
	8	F	598	718	794	957	928	1,237
	9	M	N/A	N/A	1,042	1,193	1,219	1,541
	9	F	N/A	N/A	1,412	1,492	1,652	1,929
	10	M	N/A	N/A	N/A	2,034	2,369	2,629
	10	F	N/A	N/A	N/A	2,848	3,157	3,680

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
8	1 - 4	M	509	610	630	763	738	981
	1 - 4	F	585	702	724	876	849	1,128
	5 - 6	M	526	632	653	788	764	1,015
	5 - 6	F	585	702	724	876	849	1,128
	7	M	567	681	703	850	823	1,095
	7	F	660	793	819	990	959	1,274
	8	M	638	766	790	954	923	1,228
	8	F	690	829	855	1,034	1,001	1,330
	9	M	N/A	N/A	1,124	1,289	1,314	1,657
	9	F	N/A	N/A	1,522	1,612	1,781	2,074
	10	M	N/A	N/A	N/A	2,064	2,400	2,654
	10	F	N/A	N/A	N/A	2,885	3,198	3,714

**FOOTNOTES**

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Aluminum or Plastic Siding over Frame is rated as Frame.

**KENTUCKY NATIONAL INSURANCE COMPANY  
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**301. BASE PREMIUM COMPUTATION (cont'd)**

Classification and Key Factor Tables

**A. 1.** All Forms Except **HO 00 04**.

**KEY PREMIUMS**

<b>Terr.</b>	<b>Prot. Class</b>	<b>Constr. Type</b>	<b>HO 00 03 Blue Ribbon</b>	<b>HO 00 03 w/ HO 00 15 Blue Ribbon</b>	<b>HO 00 03 Medalist</b>	<b>HO 00 03 Vantage</b>	<b>HO 00 03 w/ HO 00 15</b>	<b>HO 00 08</b>
9	1 - 4	M	571	685	779	941	913	1,212
	1 - 4	F	656	786	895	1,082	1,050	1,393
	5 - 6	M	590	709	805	974	945	1,254
	5 - 6	F	656	786	895	1,082	1,050	1,393
	7	M	636	764	868	1,050	1,018	1,351
	7	F	740	889	1,010	1,223	1,187	1,574
	8	M	714	857	976	1,179	1,144	1,518
	8	F	773	930	1,055	1,277	1,239	1,643
	9	M	N/A	N/A	1,387	1,590	1,628	2,048
	9	F	N/A	N/A	1,879	1,992	2,206	2,563
	10	M	N/A	N/A	N/A	2,548	2,972	3,280
	10	F	N/A	N/A	N/A	3,565	3,959	4,589

**FOOTNOTES**

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**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

**301. BASE PREMIUM COMPUTATION (cont'd)**

Classification and Key Factor Tables

**A. 2. Form HO 00 04**

**KEY PREMIUM**

Terr.	Prot. Class	Constr.	HO 00 04 Medalist	HO 00 04 Vantage
1	1 – 6	M	250	301
		F	263	317
	7 – 8	M	263	317
		F	277	333
	9	M	422	506
		F	448	539
	10	M	464	557
		F	507	611
2	1 – 6	M	259	311
		F	272	326
	7 – 8	M	272	326
		F	287	344
	9	M	435	523
		F	463	556
	10	M	469	564
		F	515	618
3	1 – 6	M	275	330
		F	290	349
	7 – 8	M	290	349
		F	304	366
	9	M	463	558
		F	492	593
	10	M	490	591
		F	536	647
4, 7 & 8	1 – 6	M	245	297
		F	258	312
	7 – 8	M	258	312
		F	272	328
	9	M	412	499
		F	439	531
	10	M	426	516
		F	466	564
5 & 9	1 – 6	M	274	329
		F	289	347
	7 – 8	M	289	347
		F	302	362
	9	M	461	552
		F	490	589
	10	M	483	579
		F	528	634

Terr.	Prot. Class	Constr.	HO 00 04 Medalist	HO 00 04 Vantage
6	1 – 6	M	321	388
		F	339	408
	7 – 8	M	339	408
		F	355	428
	9	M	542	653
		F	576	693
	10	M	542	653
		F	593	714

**FOOTNOTES**

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**KEY FACTOR**

Coverage C Amount	Factor	Coverage C Amount	Factor
\$12,000	.696	\$42,000	1.836
13,000	.734	43,000	1.874
14,000	.772	44,000	1.912
15,000	.810	45,000	1.950
16,000	.848	46,000	1.988
17,000	.886	47,000	2.026
18,000	.924	48,000	2.064
19,000	.962	49,000	2.102
20,000	1.000	50,000	2.140
21,000	1.038	51,000	2.178
22,000	1.076	52,000	2.216
23,000	1.114	53,000	2.254
24,000	1.152	54,000	2.292
25,000	1.190	55,000	2.330
26,000	1.228	56,000	2.358
27,000	1.266	57,000	2.386
28,000	1.304	58,000	2.414
29,000	1.342	59,000	2.442
30,000	1.380	60,000	2.470
31,000	1.418	61,000	2.498
32,000	1.456	62,000	2.526
33,000	1.494	63,000	2.554
34,000	1.532	64,000	2.582
35,000	1.570	65,000	2.610
36,000	1.608	66,000	2.638
37,000	1.646	67,000	2.666
38,000	1.684	68,000	2.694
39,000	1.722	Each Add'l \$1,000	.028
40,000	1.760		
41,000	1.798		

# KENTUCKY NATIONAL INSURANCE COMPANY

## HOMEOWNERS POLICY PROGRAM MANUAL

### 401. SUPERIOR CONSTRUCTION

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

### 402. TOWNHOUSE OR ROW HOUSE ALL FORMS EXCEPT HO 00 04

This coverage is not available in the Blue Ribbon Program.

The premium for an eligible 1 or 2 family dwelling in a town or row house structure is computed by multiplying the **BASE PREMIUM** by the appropriate factor below.

Total No. of Individual Family Units Within The Fire Division*	No. of Family Code	Protection Class 1 – 8	9 - 10
1 & 2	(1 & 3)	1.00	1.00
3 & 4	(2)	1.10	1.15
5 - 8	(4)	1.25	1.30
9 & Over	(4)	Refer to Company	

\* 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. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

### 403. PERSONAL PROPERTY (COVERAGE C) REPLACEMENT COST COVERAGE

- A.** This coverage is included on all Forms, except **HO 00 08**, at a flat premium charge of \$25. Coverage is available to Form **HO 00 08** upon request for a flat charge of \$25.
- B.** Replacement Cost Coverage also applies to articles or classes of property separately described and specifically insured in this policy, as listed in the Scheduled Personal Property endorsement.

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

### 404. PROTECTIVE DEVICES

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium - computed by multiplying the **BASE PREMIUM** by the selected factors below.

Type of Installation	Factor
Central Station Reporting Burglar Alarm	.95
Central Station Reporting Fire Alarm	.95
Police Station Reporting Burglar Alarm	.97
Fire Department Reporting Fire Alarm	.97
Local Burglar and/or Fire Alarm	.98
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.92
Use Endorsement <b>HO 04 16</b> Premises Alarm or Fire Protection System.	

### 405. DEDUCTIBLES

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

#### A. Base Deductible - \$500 Deductible

#### B. Fixed Dollar Amount Deductibles – All Forms

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

ALL FORMS	Deductible Amount	
	\$1,000	\$2,500
	.89	.78
Subject to a Maximum dollar credit of:	\$95	\$125

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

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**406. ADDITIONAL AMOUNTS OF INSURANCE –  
FORM HO 00 03**

---

- A.** 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.** The policy may be endorsed to provide additional insurance for Coverage **A** when loss to the dwelling building exceeds the limit of liability shown in the policy declarations.
- C.** When the following option is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the dwelling building 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% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to the dwelling building 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 annual premium for this coverage is \$25.

Use Endorsement **HO 04 20**, Specified Additional Amount of Insurance for Coverage **A** Only.
- D.** Do **not** use the **HO 04 20** endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.



**KENTUCKY NATIONAL INSURANCE COMPANY  
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**SECTION I  
COVERAGES – PROPERTY**

---

**501. BUILDING ADDITIONS AND ALTERATIONS  
AT OTHER RESIDENCES**

---

This coverage is not available in the Blue Ribbon Program.

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured. The premium per \$1,000 of insurance shall be developed as follows:

- A.** Multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.
- B.** When **HO 04 77** (Ordinance or Law Coverage) is endorsed on to the policy, add \$1.00 to the premium developed in **A.** above.

Use Endorsement **HO 04 49** Building Additions and Alterations at Other Residence.

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

---

This coverage is not available in the Blue Ribbon Program.

The limit of liability of 10% of Coverage **C** may be increased. The premium per \$1,000 of insurance shall be developed as follows:

- A.** Multiply the **HO 00 04** Key Factor for "Each Add'l \$1,000" by the **HO 00 04** Key Premium.
- B.** When **HO 04 77** (Ordinance or Law Coverage) is endorsed on to the policy, add \$1.00 to the premium developed in **A.** above.

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

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**503. BUSINESS PROPERTY – INCREASED  
LIMITS**

---

- A.** The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500. The premium for each \$2,500 increase is \$25.

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

- 1. Business property in storage or held as a sample or for sale or delivery after sale;
  - 2. Business property pertaining to a business actually conducted on the residence premises.
- B.** When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased,

at no additional premium charge, to an amount that is 10% of the total on-premises limit of liability.

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

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**504. CREDIT CARD, FUND TRANSFER CARD,  
FORGERY AND COUNTERFEIT MONEY**

---

When the \$500 limit of liability afforded under the policy is increased, charge the additional premium shown below:

New Limit of Liability	Premium
\$ 1,000	\$1
2,500	3
5,000	4
7,500	5
10,000	6

Use Endorsement **HO 04 53** Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Coverage Increased Limits.

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**505. EARTHQUAKE COVERAGE**

---

- A.** The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. For Form **HO 00 03** with **HO 00 15**, this peril is automatically included for Coverage **C**.

Use Endorsement **HO 04 54** Earthquake.

**B. Deductible**

The base deductible for zones 2 and 3 is 10% of the limit of liability for either Coverage **A** or **C**, whichever is greater and is subject to a \$250 minimum. The base deductible for zones 4 and 5 is 5% of the limit of liability for either Coverage **A** or **C**, whichever is greater and is subject to a \$250 minimum. This deductible may be increased for a premium credit.

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

**C. Base Premium**

Develop the base premium as follows:

- 1. Base Deductible
  - a.** Determine if Rate Table **A**, **B**, and/or **C** applies.

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## 505. EARTHQUAKE COVERAGE (cont'd)

- b. Determine the Earthquake Zone.
  - c. Select the rate according to construction from the Rate Table; and
2. Multiply the rate determined above by the:
- a. Coverage **A** limit for all Forms except **HO 00 04**.
  - b. Coverage **C** limit for Forms **HO 00 04**.
  - c. Amount of Insurance for:
    - (1) Increased Limits for Coverages **C** or **D**; and
    - (2) Other building coverage options (e.g. **HO 04 48** Other Structures - Increased Limits, Ordinance or Law Coverage or Building Additions and Alterations).

### D. Zone Definitions

#### Zone 2

Ballard	Graves
Carlisle	Hickman
Fulton	McCracken

#### Zone 3

Calloway	Livingston	Marshall
Crittenden	Lyon	

#### Zone 4

Bell	Grant	Muhlenberg
Boone	Greenup	Ohio
Boyd	Hancock	Owen
Bracken	Harlan	Pendleton
Breckinridge	Henderson	Perry
Caldwell	Henry	Pike
Campbell	Hopkins	Powell
Carroll	Kenton	Pulaski
Carter	Knott	Robertson
Christian	Knox	Russell
Clark	Laurel	Todd
Clay	Leslie	Trigg
Clinton	Letcher	Trimble
Cumberland	Lewis	Union
Daviess	McCreary	Wayne
Fleming	McLean	Webster
Floyd	Mason	Whitley
Gallatin	Monroe	

#### Zone 5

Balance of State

### E. Rates

BASE DEDUCTIBLE - Rate per \$1,000

Table	Zone	Ded.	Frame+	Masonry+	Superior
<b>A</b>	2	10%	\$ .51	\$1.12	\$ .85
All forms	3	10%	.35	1.01	.56
except HO 00	4	5%	.25	.55	.37
03 with HO 00	5	5%	.20	.39	.28
15, HO 00 04					
<b>B</b>	2	10%	\$ .33	\$ .54	\$ .33
Form HO 00	3	10%	.24	.47	.24
04 & Higher	4	5%	.18	.41	.18
Cov. C limits	5	5%	.13	.17	.13
for other					
Forms					
<b>C</b>					
Form HO 00	2	10%	\$ .33	\$ .95	\$ .67
03 with HO 00	3	10%	.24	.88	.45
15, Higher	4	5%	.18	.66	.29
Cov. D Limits,	5	5%	.13	.50	.20
HO 04 48 &					
other Bldg.					
Options					

- + If exterior Masonry Veneer is
- covered - rate as Masonry
  - not covered - rate as Frame

### F. Premium for Higher Deductibles \*

Multiply the base premium determined above by the appropriate factor below:

		Factor	
Deductible Percentage		Frame & Superior	Masonry
Zones 4 & 5	Zones 2 & 3		
10%	15%	.89	.95
15%	20%	.78	.89

- \* Pursuant to Kentucky Insurance Department Bulletin **98-2**, insurers are not permitted to write Earthquake deductible amounts exceeding:

20% in the Far West Region, consisting of the following counties: Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall and McCracken.

15% in the Near West Region, consisting of the following counties: Butler, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon, McLean, Muhlenberg, Ohio, Trigg, Union and Webster.

10% in the Eastern Region, which comprises the remaining counties in the Commonwealth of Kentucky.

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**506. FIRE DEPARTMENT SERVICE CHARGE**

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The limit of \$500 provided under the Homeowners Policy may not be increased.

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**507. HOME DAY CARE COVERAGE**

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This coverage is not available in the Blue Ribbon Program.

- A.** Coverage for a home day care business 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 home day care business in the dwelling or in an other structure on the residence premises.

Use Endorsement **HO 04 97** - Home Day Care Coverage, for Sections I and II Coverage.

- B.** If the home day care business is located in an other structure, Coverage B does not apply to that structure. See D. below, for charge for specific insurance on the structure.

- C.** The home day care endorsement also covers personal property pertaining to this business within the Coverage C limits stated in the declarations. If increased Coverage C limits are desired, see Rule 515.A.

**D. Premium**

**1. Section I**

- a.** If the home day care business is located in the dwelling, no additional charge is made.
- b.** If the business is located in an other structure, charge \$5 per \$1,000 of specific insurance on the structure.

**2. Section II**

Refer to Rule 606. to develop the premium for the increased Coverages E and F exposure.

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**508. PERMITTED INCIDENTAL OCCUPANCIES  
RESIDENCE PREMISES**

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

Use Endorsement **HO 04 42** - Permitted Incidental Occupancies - Residence Premises, for Section I and II Coverages.

**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.** If the permitted incidental occupancy is located in an other structure, Coverage B does not apply to that structure. See E. below, for charge for specific insurance on the structure.

- D.** The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the declarations. If increased Coverage C limits are desired, see Rule 515.A.

**E. Premium**

**1. Section I**

- a.** If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
- b.** If the permitted incidental occupancy is located in an other structure, charge \$5 per \$1,000 of specific insurance on the structure.

**2. Section II**

Refer to Rule 607. to develop the premium for the increased Coverages E and F exposure.

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**509. LOSS ASSESSMENT COVERAGE**

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**A. Residence Premises**

The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding Earthquake, for assessments relating to the residence premises. This limit may be increased for an additional premium, as developed below:

<b>New Amount of Coverage</b>	<b>All Forms except HO 00 03</b>	<b>HO 00 03</b>
\$ 5,000	\$ 3	\$ 4
10,000	5	7
Each Add'l \$5,000 (Up to \$50,000)	1	2

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**509. LOSS ASSESSMENT COVERAGE** (cont'd)

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**B. Additional Locations**

This coverage is not available in the Blue Ribbon Program.

The policy may be endorsed to provide loss assessment coverage pertaining to additional locations.

No more than 2 locations can be written in addition to the residence premises.

The premiums listed apply to each location covered.

<b>New Amount of Coverage</b>	<b>All Forms except HO 00 03</b>	<b>HO 00 03</b>
\$ 1,000	\$ 5	\$ 6
5,000	8	10
10,000	10	13
Each Add'l \$5,000 (Up to \$50,000)	1	2

Endorsement **HO 04 35** does not cover loss to property under Section **I** caused by Earthquake.

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

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**510. LOSS OF USE – INCREASED LIMIT**

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When the limit of liability for Coverage **D** is increased, charge \$3 per \$1,000 of additional insurance.

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**511. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HO 00 04**

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**A.** The policy may be endorsed to provide coverage against loss resulting from ordinances or laws which regulate construction, repair or demolition of property.

**B. Premium**

See Rules **501.**, **502.**, and **507.B.** for rating instructions.

Use Endorsement **HO 04 77** Ordinance or Law Coverage.

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**512. OTHER STRUCTURES**

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

1. Increased limits, or
2. Rented to others for residential purposes

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

**B. Increased Limits**

Premium: \$3 per \$1,000 of insurance

Use Endorsement **HO 04 48** Other Structures.

**C. Rented to Others - Residence Premises**

Use the sum of:

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

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

**D. Off-Premises Structures**

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.

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.

The charge for this coverage is \$15.

Use Endorsement **HO 04 91** Coverage **B** – Off-Premises.

2. When insurance is written on a specific structure located away from the residence premises, the rate per \$1,000 of insurance is \$4. This rate shall apply separately to each location.

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

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**513. PERSONAL PROPERTY**

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**A. Increased Limit**

The limit of liability for Coverage **C** may be increased. When the limit of liability for Coverage **C** is increased, the additional premium per \$1,000 of insurance shall be:

<b>HO 00 03 without HO 00 15</b>	<b>\$2</b>
<b>HO 00 03 with HO 00 15</b>	<b>\$3</b>

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**513. PERSONAL PROPERTY (cont'd)**

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**B. Increased Limits – Other Residences**

Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage **C** or \$1,000, whichever is greater. This limit may be increased. The additional premium shall be \$7 per \$1,000 of additional insurance.

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

**C. Reduction in Limit**

The Coverage **C** limit may not be reduced in the Blue Ribbon Program.

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

**D. Increased Special Limits of Liability**

**1. Jewelry, Watches and Furs**

The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1,000 for any one article. The additional premium shall be \$14 per \$1,000 increase.

**2. Money and Securities**

The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,000 limit on securities may be increased to a maximum of \$2,000. The additional premium shall be \$5 for each \$100 increase.

**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. The additional premium shall be \$3 per \$500 increase.

**4. Firearms**

The special limit of liability of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100. The additional premium shall be \$3 per \$100 increase.

**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 \$1,000 for apparatus in or upon a motor vehicle or motorized land conveyance, and

(2) Up to \$1,000 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 \$5,000 in increments of \$500. The additional premium shall be \$10 per \$500 increase.

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

Use Endorsement **HO 04 66** Coverage **C** Increased Special Limits of Liability for **HO 00 03** with **HO 00 15**.

**E. Refrigerated Personal Property**

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

2. A deductible of \$100 applies.

3. Charge \$10 per policy.

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

**F. Theft Coverage Increase – HO 00 08**

**1. On-Premises**

The \$1,000 limit for on-premises theft may be increased to an aggregate limit of \$3,000 or \$5,000. The additional premium shall be \$45 per \$2,000 increase.

**2. Off-Premises**

When On-Premises Theft Coverage is increased, a limit of \$1,000 may be provided for Off-Premises Theft Coverage. The additional premium shall be \$25.

Use Endorsement **HO 04 30** Theft Coverage Increase.

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**514. PERSONAL PROPERTY – SCHEDULED**

Coverage may be provided on scheduled personal property.

**ANNUAL RATE PER \$100**

<b>A.</b>	Cameras	\$ 1.10
<b>B.</b>	Coin Collections	\$ 1.20
<b>C.</b>	Furs	\$ 1.10
<b>D.</b>	Golfers Equipment	\$ 1.10
<b>E.</b>	Guns	\$ 1.10
<b>F.</b>	Jewelry	\$ 1.20
<b>G.</b>	Miscellaneous Items	\$ 1.10
<b>H.</b>	Musical Instruments	\$ 1.10
<b>I.</b>	Personal Computers	
	Personal Use	\$ 1.10
	Business Use	\$ 1.10
<b>J.</b>	Silverware	\$ 1.10
<b>K.</b>	Sports Equipment	\$ 1.10
<b>L.</b>	Stamp Collections	\$ 1.20

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

**M. Fine Arts**

AMOUNT OF INSURANCE *	MASONRY		FRAME	
	PROTECTION CLASS		PROTECTION CLASS	
	1 – 8	9 – 10	1 – 8	9 – 10
<b>\$1,000 or less</b>	6	14	8	20
<b>2,000</b>	8	19	10	27
<b>3,000</b>	10	24	12	34
<b>4,000</b>	12	29	15	41
<b>5,000</b>	14	35	17	49
<b>6,000</b>	16	39	20	56
<b>7,000</b>	18	44	22	63
<b>8,000</b>	20	49	25	70
<b>9,000</b>	21	54	27	77
<b>10,000</b>	23	59	30	84
<b>11,000</b>	25	65	32	91
<b>12,000</b>	27	70	35	100
<b>13,000</b>	29	75	37	106
<b>14,000</b>	31	80	40	113
<b>15,000</b>	33	85	43	121
<b>16,000</b>	35	90	45	128
<b>17,000</b>	37	95	48	135
<b>18,000</b>	39	100	50	142
<b>19,000</b>	41	105	53	150
<b>20,000</b>	43	110	55	157
<b>21,000</b>	45	115	58	164
<b>22,000</b>	46	120	60	171
<b>23,000</b>	48	125	63	178
<b>24,000</b>	50	130	65	185
<b>25,000</b>	52	135	68	192
<b>30,000</b>	63	160	80	228
<b>35,000</b>	75	190	95	267
<b>40,000</b>	85	215	108	303
<b>45,000</b>	95	245	120	338
<b>50,000*</b>	110	260	135	380
<b>75,000*</b>	170	410	205	560
<b>100,000*</b>	230	550	285	750

\* **Do Not Bind** – Refer to Company.

**Notes:** Construction – Definition of terms

- 1. Masonry** – A building with walls of masonry, masonry veneer or fire resistive construction.
- 2. Frame** – A building with walls of frame or metal – sheathed or stuccoed frame construction, or with walls of metal or metal lath and plaster on combustible supports.

Also, a building shall be classed as **Frame** construction when the wall area of frame construction (including gables) exceeds 33 1/3% of the total wall area.

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**515. RENTAL TO OTHERS – THEFT COVERAGE  
ALL FORMS EXCEPT HO 00 03 WITH HO 00 15**

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The policy may be endorsed to cover loss by theft while the portion of the residence premises usually occupied by the insured is occasionally rented in whole or in part to others, or while there is rental to a roomer or boarder. The additional premium shall be \$29.

Use Endorsement **HO 04 80** Residence Rental Theft.

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**516. SINKHOLE COLLAPSE COVERAGE  
ALL FORMS EXCEPT HO 00 04**

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The policy may be endorsed to provide Sinkhole Collapse Coverage. The additional premium shall be \$.35 per \$1,000 of:

- A.** Coverage **A** amount of insurance;
- B.** Increased Limits for Coverage **C** and **D**;
- C.** Loss Assessment Coverage, increased limits and additional locations;
- D.** Ordinance or Law Coverage, basic amount and, if applicable, increased amount of coverage;
- E.** Other Building or Structure options (e.g. Other Structures **HO 04 40**, **HO 04 48** and **HO 04 92**; Building Additions and Alterations **HO 04 49** and **HO 04 51**).

Use Endorsement **HO 04 99** Sinkhole Collapse.

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**517. SPECIAL COMPUTER COVERAGE  
ALL FORMS EXCEPT HO 00 03 WITH HO 00 15**

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The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions. The additional premium is \$15 per year.

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

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**518. WATER BACK UP AND SUMP OVERFLOW**

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- A.** The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from a sump.  
  
The limit of liability available under this option is \$5,000 or \$10,000.
- B.** A deductible of \$250 applies. No other deductible option is available.

- C.** Charge per policy if **HO 04 90** Personal Property Replacement Cost Endorsement is:

- 1. \$5,000 Limit of Liability
  - a.** Not attached to the policy \$50
  - b.** Attached to the policy \$60
- 2. \$10,000 Limit of Liability
  - a.** Not attached to the policy \$75
  - b.** Attached to the policy \$90

Use Endorsement **HO 04 95** Water Back Up and Sump Overflow.

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**519. COAL MINE SUBSIDENCE COVERAGE  
ALL FORMS EXCEPT HO 00 04**

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- A.** Coverage for loss caused by coal mine subsidence must be provided on real property risks in "**qualified locations**", unless waived in writing by the insured. For waiver of insurance forms, refer to company.
- B.** The following counties are eligible to become "qualified locations".

Bath	Hancock*	Menifee
Bell*	Harlan*	Montgomery
Boyd*	Henderson*	Morgan*
Breathitt*	Hopkins*	Muhlenberg*
Breckinridge	Jackson*	Ohio*
Butler*	Johnson*	Owsley
Caldwell	Knott*	Perry*
Carter*	Knox*	Pike
Christian*	Laurel	Powell
Clay*	Lawrence*	Pulaski
Clinton	Lee*	Rockcastle
Crittenden	Leslie*	Rowan
Daviess*	Letcher	Union*
Edmonson*	Lewis	Warren
Elliott*	McCreary*	Wayne
Estill	McLean*	Webster*
Floyd*	Madison	Whitley*
Grayson	Magoffin	Wolfe*
Greenup*	Martin*	

\* These counties have become qualified locations.

- C.** Coverage for Coal Mine Subsidence shall **NOT** be provided in eligible locations which have not been "qualified". Qualification refers to certification by the fiscal courts that the availability of Mine Subsidence Insurance has been approved in a particular eligible county.

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**519. COAL MINE SUBSIDENCE COVERAGE  
ALL FORMS EXCEPT HO 00 04 (cont'd)**

**D. Coverages A and B**

1. When Coal Mine Subsidence Coverage is written for all structures insured under the policy, use Endorsement **HO 23 84** and enter the limit of liability applicable to the structures.
2. When Coal Mine Subsidence Coverage is written for specific structures insured under the policy, use Endorsement **HO 23 87** and enter the description and limit of liability applicable to each structure specified.
3. The maximum limit of liability reinsured by the Kentucky Coal Mine Subsidence Fund is \$100,000. If higher limits are desired, refer to company.

**E. Premium**

<b>Amount of Coal Mine Subsidence Insurance On The Structure</b>	<b>Premium Dwelling Structure</b>	<b>Premium Non- Dwelling (1) Structure</b>
Up to \$50,000	\$10.00	\$15.00
\$50,001 to \$60,000	\$12.00	\$17.00
\$60,001 to \$70,000	\$14.00	\$19.00
\$70,001 to \$80,000	\$16.00	\$21.00
\$80,001 to \$90,000	\$18.00	\$23.00
\$90,001 to \$100,000	\$20.00	\$25.00
\$100,001 to \$110,000	\$22.00	\$27.00
\$110,001 to \$120,000	\$24.00	\$29.00
\$120,001 to \$130,000	\$26.00	\$31.00
\$130,001 to \$140,000	\$28.00	\$33.00
\$140,001 to \$150,000	\$30.00	\$35.00
\$150,001 to \$160,000	\$32.00	\$37.00
\$160,001 to \$170,000	\$34.00	\$39.00
\$170,001 to \$180,000	\$36.00	\$41.00
\$180,001 to \$190,000	\$38.00	\$43.00
\$190,001 to \$200,000	\$40.00	\$45.00
\$200,001 to \$210,000	\$42.00	\$47.00
\$210,001 to \$220,000	\$44.00	\$49.00
\$220,001 to \$230,000	\$46.00	\$51.00
\$230,001 to \$240,000	\$48.00	\$53.00
\$240,001 to \$250,000	\$50.00	\$55.00
\$250,001 to \$260,000	\$52.00	\$57.00
\$260,001 to \$270,000	\$54.00	\$59.00
\$270,001 to \$280,000	\$56.00	\$61.00
\$280,001 to \$290,000	\$58.00	\$63.00
\$290,001 to \$300,000	\$60.00	\$65.00

**Note:** (1) A non-dwelling structure is defined for rating purposes as a building that is not principally for residential purposes or house with more than four (4) family units.

**520. LIMITED FUNGI, WET OR DRY ROT, OR  
BACTERIA COVERAGE**

**A. Coverage Description**

**1. Basic Limits**

When the optional Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage Endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

**a. Section I – Fungi, Wet Or Dry Rot, Or Bacteria**

\$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by fungi or wet or dry rot, or bacteria on the "residence premises" as defined in the coverage endorsements.

This Coverage applies only for the policy period in which the loss or costs occur.

**b. Section II – Fungi, Wet Or Dry Rot, Or Bacteria**

\$50,000 to pay for damages because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi, wet or dry rot, or bacteria.

**B. Increased Limits**

**1. Section I – Fungi, Wet Or Dry Rot, Or Bacteria**

**a.** Limits may be increased to \$25,000 or \$50,000. The limit selected is entered on the coverage endorsements or the policy declarations.

**b.** Refer to paragraph **D. Premium Computation**, for premium computation instructions.

**2. Section II – Fungi, Wet Or Dry Rot, Or Bacteria**

**a.** Limits may be increased to \$100,000. The limit selected is entered on the coverage endorsements or the policy declarations.

**b.** Refer to paragraph **D. Premium Computation**, for premium computation instructions.



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**520. LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE (cont'd)**

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**C. Application of Limits of Liability**

1. For Property Coverage, the \$10,000 or the limit selected is the most coverage that will be provided during the policy period regardless of the number of locations insured for Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage or the number of claims made during the policy period.

**D. Premium Computation**

1. Basic Limits

There is no premium adjustment.

2. Increased Limits

- a. Section I – Property

The following rate is per policy:

\$10,000	\$25
\$25,000	\$41
\$50,000	\$69

- b. Section II – Liability

The following rate is per policy:

\$ 50,000	\$3
\$100,000	\$6

**E. Endorsements**

1. Use Limited Fungi, Wet or Dry Rot, or Bacteria Coverage Endorsement:
  - a. **HO 04 31** – For use with all Forms except **HO 00 03**.
  - b. **HO 04 32** – For use with Form **HO 00 03**.
  - c. **HO 04 33** – For use with Forms **HO 00 03** with **HO 00 15** or **HO 00 06** with **HO 17 31** or **HO 17 32**.
2. These endorsements provide complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the applicable Section I – Property Coverage Limit of Liability for the Additional Coverage Fungi, Wet Or Dry Rot, Or Bacteria and the Section II – Coverage E Aggregate Sublimit of Liability for Fungi, Wet Or Dry rot, Or Bacteria.

3. For Liability Coverage, \$50,000 or the limit selected is an aggregate limit and is the most coverage that will be provided during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily claims injury or property damage made.

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**521. IDENTITY FRAUD EXPENSE COVERAGE**

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**A. Coverage Description**

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for reapplying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

**B. Limits Of Liability**

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

**C. Premium Computation**

The annual premium for this coverage is \$25.

**D. Endorsement**

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

# KENTUCKY NATIONAL INSURANCE COMPANY HOMEOWNERS POLICY PROGRAM MANUAL

## SECTION II COVERAGES PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS

When the limit of liability for Coverage **E** (Personal Liability) and Coverage **F** (Medical Payments to Others) is increased or coverage for additional exposures is provided, develop the additional premium as instructed below.

Unless otherwise stated, Coverage **E** limits apply on an "occurrence" basis; Coverage **F** limits, on an "each person" basis.

Annual Premiums or rating factors are provided for:

1. Basic Limits of \$100,000 Coverage **E** and \$1,000 Coverage **F** unless otherwise indicated.
2. Increased Limits up to \$500,000 Coverage **E** and \$5,000 Coverage **F**.

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

#### A. Residence premises

##### 1. Coverage E - Personal Liability

Limit	Code	Premium
\$100,000	(3)	-
200,000	(4)	\$ 6
300,000	(5)	12
400,000	(6)	15
500,000	(7)	18

##### 2. Coverage F - Medical Payments

Limit	Premium
\$1,000	-
2,000	\$ 3
3,000	6
4,000	9
5,000	12

#### B. Other Exposures

1. Unless otherwise stated, the premiums displayed in this rule for the following exposures are for the Basic Limit of \$100,000 Coverage **E** and \$1,000 Coverage **F**. If higher limits are written for the Residence Premises, then the same limits must apply to any other exposure.
2. Refer to the following rules for factors and charges to increase coverage limits.

### 602. OTHER INSURED LOCATION OCCUPIED BY INSURED

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

#### C. Premium

	No. Of Family Dwelling			
	1	2	3	4
Premium	\$6	\$12	\$35	\$50

### 603. RESIDENCE EMPLOYEES

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

### 604. ADDITIONAL RESIDENCE RENTED TO OTHERS

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

#### B. Premium

	No. Of Family Dwelling			
	1	2	3	4
Premium	\$20	\$40	\$60	\$80

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

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

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

---

- A.** The policy may be endorsed to provide coverage when a structure on the residence premises is rented to others for dwelling purposes.
- B.** Refer to Rule **514.C.** for rating Section **I** Coverage.
- C. Premium**
- Charge \$10 per each other structure rented to others.

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

---

**606. HOME DAY CARE COVERAGE**

---

This coverage is not available in the Blue Ribbon Program.

- A.** The policy may be endorsed to provide coverage for the increased exposure arising from a home day care business on the residence premises.

Use Endorsement **HO 04 97** - Home Day Care Coverage, for Sections **I** and **II** Coverage.

- B.** This endorsement provides for an annual aggregate limit of liability for Coverage **E** and **F** combined. Coverage **F** is subject to a sub-limit of liability which applies per-person/per-accident and does not increase the aggregate limit of liability.

The annual aggregate limit of liability (Coverages **E** and **F** combined) for this endorsement is the same as the dollar amount of Coverage **E** shown in the Declarations. The Coverage **F** sub-limit for this endorsement is the same as the dollar amount of Coverage **F** shown in the Declaration.

**C. Premium**

1. 1 through 3 persons, other than insureds, receiving day care services: \$125
2. These premiums are for an annual aggregate limit of \$100,000 with a Coverage **F** sub-limit of \$1,000 per-person/per-accident. If other Section **II** exposures are written for higher dollar limits, use the Coverage **E** increased limit factors to raise the aggregate limit, and the Coverage **F** charges to raise the Coverage **F** sub-limit.
3. These premiums are for 1 through 3 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 4 persons, other than insureds, refer to company.

4. If the business is located in an other structure on the residence premises, also refer to Rule **509.** for rating the property exposure.

---

**607. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES AND OTHER RESIDENCES**

---

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

**1. Residence Premises**

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

**2. Other Residence**

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

**B. Premium**

- |                       |      |
|-----------------------|------|
| 1. Residence Premises | \$19 |
| 2. Other Residence    | \$18 |

---

**608. BUSINESS PURSUITS**

---

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

**B. Premium**

Classification	Premium per person
1. Clerical Employees	
2. Sales person, Collector or Messenger – Installation, demonstration or servicing operation . . . . Included	\$ 6
Excluded	\$ 4
3. Teachers	
a. Laboratory, athletic, manual or physical training	\$11
b. Not otherwise classified	\$ 5
c. Corporal punishment add to 3.a. or b.	\$ 4

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

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

---

**609. PERSONAL INJURY**

---

**A.** Liability coverage for personal injury to others, such as false arrest, libel or invasion or privacy, may be added to the policy.

**B. Premium** - Charge \$13 per policy.

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

---

**610. INCIDENTAL MOTORIZED LAND CONVEYANCES**

---

**A.** The policy may be endorsed to provide coverage when certain motorized land conveyances, with a 15 m.p.h. maximum attainable speed are not subject to motor vehicle registration.

**B.** The following may not be covered:

1. Motorized bicycles;
2. Golf carts; or
3. Mopeds.

**C.** Read the endorsement for conditions of coverage applying to eligible conveyances.

**D. Premium** - Charge \$15 per conveyance.

Use Endorsement **HO 24 13** Incidental Motorized Land Conveyances.

---

**611. 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 is not 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 watercraft from that residence, apply the premium for that state.

**C. Premium**

1. Watercraft powered by outboard, inboard or inboard-outboard motors.

Horsepower	Up to 15 feet	Over 15 to 26 feet
Up to 50*	\$36	\$56
51 to 100	61	81
101 to 150	86	106
151 to 200	111	131
over 200	142	162

2. Sailboats with or without auxiliary power

26 to 40 feet*	\$36
Over 40 feet	61

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

**D. Endorsement**

Use Watercraft Endorsement **HO 24 75**.

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

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**612. OWNED SNOWMOBILE**

---

- A.** The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
- B.** Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.
- C. Premium** - Charge \$46 per snowmobile

Use Endorsement **HO 24 64** Snowmobile.

---

**613. INCIDENTAL FARMING PERSONAL LIABILITY**

---

**A. On the Residence Premises**

- 1.** The policy may be endorsed to provide coverage for the liability of the insured when farming is conducted on the residence premises and 1) is incidental to the use of the premises as a dwelling, 2) the total acreage is 5 acres or less and 3) the income derived from the farming operations is not the insured's primary source of income. However, coverage is not available if the location specified in the endorsement is used for racing purposes.
- 2.** Premium - Charge \$20 per policy

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

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

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**701. OTHER EXPOSURES – PERSONAL LIABILITY INCREASED LIMITS**

---

Apply the appropriate factor shown below to the basic limits premium for each exposure.

Limit	Code	Factor
\$200,000	4	1.17
300,000	5	1.33
400,000	6	1.43
500,000	7	1.49

---

**702. OTHER EXPOSURES – MEDICAL PAYMENTS TO OTHERS INCREASED LIMITS**

---

**Basic Limit**

<b>Rule #</b>	<b>Coverage F – Medical Payments</b>	<b>\$2,000</b>	<b>\$3,000</b>	<b>\$4,000</b>	<b>\$5,000</b>
<b>602.</b>	Other Insured Locations Occupied By Insured	\$ 1	\$ 2	\$ 3	\$ 4
<b>603.</b>	Residence Employees	1	2	3	4
<b>604.</b>	Additional Residence Rented to Others	1	2	3	4
<b>605.</b>	Other Structures Rented to Others – Residence Premises	1	2	3	4
<b>606.</b>	Home Day Care Coverage	5	10	15	20
<b>607.</b>	Permitted Incidental Occupancies				
	1. Residence Premises	5	10	15	19
	2. Other Residence	3	6	9	11
<b>608.</b>	Business Pursuits				
	1. Clerical Employees	1	2	3	4
	2. Salesperson, Installation, etc. Included or Excluded	1	2	3	4
	3. Teachers				
	a. Lab, etc.	2	4	6	7
	b. not otherwise classified	1	2	3	4
	c. Corporal Punishment	Medical Payments Not Available			
<b>610.</b>	Incidental Motorized Land Conveyances	1	2	3	4
<b>611.</b>	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard-Outboard Engines or Motors				
	a. Up to 15 feet:				
	Up to 50 hp.	3	6	9	11
	51 to 100 hp.	4	8	12	14
	101 to 150 hp.	6	12	18	21
	Over 151 hp.	12	24	36	42
	b. Over 15 to 26 feet:				
	Up to 50 hp.	4	8	12	14
	51 to 100 hp.	6	12	18	21
	101 to 150 hp.	8	16	24	28
	151 to 200 hp.	12	24	36	42
	Over 200 hp.	24	48	72	84
	2. Sailboats, with or without auxiliary power				
	26 to 40 feet	3	6	9	11
	Over 40 feet	6	12	18	22
<b>612.</b>	Owned Snowmobile	1	2	3	4
<b>613.</b>	Incidental Farming Personal Liability	1	2	3	4

# KENTUCKY NATIONAL INSURANCE COMPANY

## HOMEOWNERS POLICY PROGRAM MANUAL

### SECTION III OTHER RATING PROVISIONS

#### 901. INSURANCE TO VALUE COVERAGE

Policies are automatically adjusted to reflect any changes in the cost of labor and construction materials due to inflation. The adjustment in coverage is determined by using statistics provided by a national appraisal company.

Endorsement **PCH-2017** is attached to all policies at no additional charge.

#### 902. SOLID FUEL BURNING DEVICES

- A.** Dwellings with fireplaces that have not been modified by connecting ductwork or fireplaces without fireplace inserts, are acceptable if properly installed and maintained.
- B.** Dwellings with any solid fuel burning devices other than those listed in **A.** are **not** eligible for homeowners coverage.

Solid fuel burning devices include but are not limited to solid fuel-fired stoves, solid fuel-fired cooking stoves and combination fuel furnaces or boilers which burn solid fuel such as, but not limited to coal, wood, peat, charcoal, hexamine fuel tablets, wood pellets or pellets made from corn, wheat, rye, or other grains, or any combustion source deemed to be solid fuel.

#### 903. PHYSICAL DAMAGE COVERAGE FOR BOATS AND ACCESSORIES

##### **A. Eligible Coverage \***

1. Outboard Motors, including their equipment and accessories.
2. Rowboats, Canoes and Boats not exceeding 25 feet in overall length, measured on the center line and designed exclusively to be propelled by one Outboard Motor, Inboard or Inboard/Outdrive Engine where the rating of the motor or engine does not exceed 200 horsepower.
3. Equipment and Accessories, including boat carriers and trailers, used or designed for use with the above.

Coverage of any of the property specified in the foregoing in conjunction with vessels not falling within subparagraph **2.** are not governed by these rules.

- \* Jet skis, wave runners and speed boats are unacceptable and may not be bound.

##### **B. Scheduling Requirements**

All Boats, Motors and Boat Trailers as described in the Boat Floater Form must be individually itemized with the respective amount of insurance applying thereto.

##### **C. Rates (Per \$100) of Physical Damage Coverage**

	<b>\$250 Ded.</b>	<b>\$500 Ded.</b>
<b>1.</b> Outboard Motor and Boat	\$1.50	\$1.40
<b>2.</b> Inboard/Outdrive	\$1.80	\$1.65
<b>3.</b> Inboard	\$2.00	\$1.85
<b>4.</b> Boat Trailer, Equipment and Accessories	\$1.50	\$1.40

Use Endorsement **PCH-2036** Physical Damage Coverage for Boats and Accessories.

#### 904. ELITE PROTECTION COVERAGE

The policy may be endorsed to provide the following additional coverages under Section **I** and Section **II**. The annual premium charge is \$25. This coverage is included at no charge in the Blue Ribbon Program.

- A.** Unscheduled Jewelry, Watches and Furs – Special limit increased to \$2,000 in the aggregate with a \$1,000 limit on any one item.
- B.** Refrigerated products coverage up to \$300 with a \$50 deductible.
- C.** Credit Card and Bank Fund Transfer Coverage up to \$2,500.
- D.** Outboard Motor Liability – horsepower limitation is increased to a maximum of 75 horsepower.
- E.** Waterbed coverage for damage to property due to accidental discharge of water from within a bed.

Use Endorsement **PCH-2128** Elite Protection Coverage.

**KENTUCKY NATIONAL INSURANCE COMPANY  
HOMEOWNERS POLICY PROGRAM MANUAL**

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**905. DISCOUNTS FOR NEWER HOMES –  
POLICY FORMS HO 00 3 AND HO 00 03  
W/15**

---

This discount is not available in the Blue Ribbon Program.

- A.** A discount shall be applied to the basic policy insuring a principal dwelling for a term which becomes effective during the calendar year in which such dwelling was constructed or during any of the next six calendar years immediately subsequent to such calendar year in which it was constructed. The discount applies as follows:

Less Than 1 Year	12%
1 Year	10%
2 Years	8%
3 Years	6%
4 Years	4%
5 Years	2%

- B.** This rule does not apply to policies written on forms **HO 00 04** or **HO 00 08**.

---

**906. MULTI-POLICY DISCOUNT**

---

A multi-policy discount shall be allowed by the Kentucky National Insurance Company to qualifying policyholders when two or more eligible policies are in force with the company.

1. The amount of such discount shall equal ten percent for Personal Automobile and ten percent for Homeowners of the eligible policy premium as determined by the company after application of all rating standards and factors but before the application of any applicable special governmental surcharge or tax.
2. Policies eligible for such discount are only those voluntarily written personal automobile policies, homeowner policies (policy forms HO 00 03 and HO 00 08) covering the primary and/or secondary residence of the named insured and/or the contents of such residence. No policy written in compliance with the requirements of any residual market mechanism shall be eligible for such discount, nor shall it be the basis to qualify any other policy for such discount.
3. "Qualifying policyholders" means those individuals and/or their spouse who are listed as the first named insured on eligible policies issued by the company. The valid Social Security numbers of the individual and spouse, if any, shall be the common equator between eligible automobile and property policies for purpose of applying such discount. No individual and/or spouse who refuses or fails to supply the needed Social

Security numbers shall be entitled to or receive such discount.

4. The term "in force" shall include those eligible policies applied for at the same time and which bear beginning effective dates within 180 days of each other, but then only if both applied for policies are actually accepted by the company.

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**907. RISK LEVEL**

---

The Risk Level is determined by the Homeowners score and shall apply to all new and renewal business with an effective date on or after December 19, 2007.

The Risk Level applies only to the base premiums described in Rule **301**.

<b>Risk Level</b>	<b>Credit Score Range</b>	<b>Rating Factor</b>
33	801 and Above	.70
32	791 to 800	.72
31	781 to 790	.74
30	771 to 780	.76
29	761 to 770	.78
28	751 to 760	.80
27	741 to 750	.82
26	731 to 740	.84
25	721 to 730	.86
24	711 to 720	.88
23	701 to 710	.91
22	691 to 700	.94
21	681 to 690	.97
20	671 to 680	1.00
19	661 to 670	1.07
18	651 to 660	1.14
17	641 to 650	1.21
16	631 to 640	1.25
15	621 to 630	1.30
14	611 to 620	1.40
13	601 to 610	1.50
12	591 to 600	1.65
11	581 to 590	1.80
10	571 to 580	1.90
9	561 to 570	2.00
8	551 to 560	2.10
7	541 to 550	2.20
6	531 to 540	2.30
5	521 to 530	2.40
4	511 to 520	2.50
3	500 to 510	2.60
2	0 to 499	2.75
1	No Score	1.00



SERFF Tracking Number:	KNIC-127064322	State:	Kentucky
Filing Company:	Kentucky National Insurance Company	State Tracking Number:	KNIC-127064322
Company Tracking Number:			
TOI:	04.0 Homeowners	Sub-TOI:	04.0000 Homeowners Sub-TOI Combinations
Product Name:	KNIC Homeowners		
Project Name/Number:	3/2010 Rate Changes/KNIC HO 3/2010		

## Supporting Document Schedules

		Item Status:	Status Date:
<b>Satisfied - Item:</b>	Actuarial Memorandum (if applicable)		
<b>Comments:</b>			
<b>Attachment:</b>			
Cover Letter.pdf			
		Item Status:	Status Date:
<b>Bypassed - Item:</b>	Filing Fee		
<b>Bypass Reason:</b>	Filing fee is being paid via EFT.		
<b>Comments:</b>			
		Item Status:	Status Date:
<b>Bypassed - Item:</b>	LC-1 P&C (8/00) Calculation of Loss Cost Multiplier (if applicable)		
<b>Bypass Reason:</b>	Not applicable.		
<b>Comments:</b>			
		Item Status:	Status Date:
<b>Bypassed - Item:</b>	LC-2 P&C (8/00) Expense Constant Supplement (if applicable)		
<b>Bypass Reason:</b>	Not applicable.		
<b>Comments:</b>			
		Item Status:	Status Date:
<b>Satisfied - Item:</b>	SG-2 Synopsis For Homeowners-Rate Comparisons		

SERFF Tracking Number: KNIC-127064322 State: Kentucky  
Filing Company: Kentucky National Insurance Company State Tracking Number: KNIC-127064322  
Company Tracking Number:  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: KNIC Homeowners  
Project Name/Number: 3/2010 Rate Changes/KNIC HO 3/2010

**Comments:**

Included for informational purposes only. Original filed electronically on 3/3/2011.

**Attachment:**

KY HO Shoppers Guide.pdf

**Item Status:**

**Status  
Date:**

**Bypassed - Item:** Third Party Authorization (if applicable)

**Bypass Reason:** Not applicable.

**Comments:**

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Supporting Documentation

**Comments:**

**Attachments:**

Calculation of Rate Level Indication.pdf

Histogram of Rate Change Results.pdf



P.O. Box 12270  
Lexington, Kentucky 40577-1688

March 8, 2011

Frank Goins  
Director, Property & Casualty Division  
Kentucky Department of Insurance  
P.O. Box 517  
Frankfort, KY 40602-0517

RE: Kentucky National Insurance Company  
Homeowners Programs (Rate & Rules)

Dear Mr. Goins:

Kentucky National proposes to adopt changes contained in the attached manual pages in its Homeowners Programs. Rates are being increased by at total of 8.84% statewide. Individual changes include:

- Decreasing multi policy discount rate from 15% to 10%.
- Increasing the minimum charged premium from \$50 to \$100.
- Increasing the rate charged for our Elite Protection coverage and Personal Property Replacement Cost coverage from \$15 to \$25.
- Increasing the rates charged for Other Insured Location Occupied by Insured and Additional Residence Rented to Others.
- Increasing Earthquake rates by 10% statewide.
- Changing rating territories for Metcalfe County and Rowan County.
- No longer insuring risks that have any solid fuel burning devices in use.

The proposed effective date of the changes is May 1, 2011 for new business and June 1, 2011 for renewals.

Attached is the Property & Casualty Transmittal Document, the Rate/Rule Filing Schedule, a copy of the revised manual pages and the required \$5.00 filing fee.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Don Rickert", is written over a horizontal line.

Don Rickert  
Division Manager  
(859) 367-5200, ext. 5030  
FAX: (859) 367-5293  
dhrickert@kynat.com

## Exhibit 2

**COMMONWEALTH OF KENTUCKY**  
**DEPARTMENT OF INSURANCE**  
**HOMEOWNERS PREMIUM COMPARISONS**

To be provided On-Line at [HTTP://DOLPPR.KY.GOV/KENTUCKY](http://DOLPPR.KY.GOV/KENTUCKY) via eServices  
 DO NOT SUBMIT THIS DOCUMENT IN HARD COPY

<b>Company Name</b> <u>Kentucky National Ins</u>		<b>NAIC #</b> <u>29149</u>	<b>Date Prepared/Entered</b> <u>02/23/2011</u>
<b>Prepared by</b> <u>Don Rickert</u>		<b>Preparer's Phone #</b> <u>859-367-5200</u>	<b>Ext.</b> <u>5030</u>
<b>Preparer's E-Mail</b> <u>dhrickert@kynat.com</u>			
A new filing is associated with this submission: <input checked="" type="checkbox"/> (Check if applicable.)			
<b>Company Filing #</b> _____			
<b>Effective Date for: New Business</b> _____		<b>Renewals</b> _____	
<b>Prior Year Direct Written Homeowners Premium</b> <u>3,583,318</u>			
<b>Customer Service Phone #</b> <u>859-367-5200</u>		<b>Ext.</b> _____	(will appear in Consumer Publication)
<b>We do not offer homeowners insurance.</b> _____ (Check if applicable.)			

Provide **12-Month premiums** with no discounts for the locations listed below for each of the 3 examples. Use your **lowest rate** available (fire protection class, zone rating, etc.) in the ZIP code shown. Use whatever credit score gives rise to the lowest premium. Do not include the state 1.5% surcharge or local taxes.

- Example 1**      **Owners Form (All Perils), \$125,000 Dwelling, Frame, \$500 Ded., \$100,000/\$1,000 Section II Liability; Other structures 10%, Contents 70% with RC, Loss of Use 20% of dwelling amount, year built 1985.**
- Example 2**      **Owners Form (All Perils), \$200,000 Dwelling, Brick Veneer, \$500 Ded., \$100,000/\$1,000 Sec. II; Liability, Other structures 10%, Contents 70% with RC, Loss of Use 20% of dwelling amount, year built 1995.**
- Example 3**      **Renters Form, \$25,000 Contents with RC, Frame, \$500 Ded., \$100,000/\$1,000 Section II Liability; Loss of Use 20% of contents amount, 1-4 families building.**

Use your closest comparable coverage (limits, deductible, etc) . available and indicate if the comparison does not match the examples.

<u>Location</u>	<u>ZIP Code</u>	<u>12 Month Premiums</u>		
		<u>Ex. 1</u>	<u>Ex. 2</u>	<u>Ex. 3</u>
Ashland	41102	<u>501</u>	<u>654</u>	<u>232</u>
Bowling Green	42101	<u>438</u>	<u>570</u>	<u>259</u>
Covington	41011	<u>366</u>	<u>475</u>	<u>237</u>
Lexington	40514	<u>366</u>	<u>475</u>	<u>237</u>
Louisville	40218	<u>480</u>	<u>625</u>	<u>232</u>
Paducah	42001	<u>503</u>	<u>657</u>	<u>258</u>
Pikeville	41501	<u>503</u>	<u>657</u>	<u>258</u>
Somerset	42501	<u>501</u>	<u>654</u>	<u>232</u>
(Coverage does not match examples-- Check if applicable)		_____	_____	_____

**Kentucky National Insurance Company**  
**Homeowner Rate Level Indication**

**Calculation of Rate Level Indication**

	1 Earned Premiums	2 Incurred Losses	3 CAT Claims (Excluded)	(2-3)/1 Earned Loss Ratio (ELR)
2007	524	0	0	0.00%
2008	334,709	215,737	0	64.46%
2009	1,236,949	1,615,486	830,222	63.48%
2010	2,555,209	2,090,938	133,950	76.59%
Total	4,127,391	3,922,161	964,172	71.67%
4 Year Loss Ratio				71.67%
General & Operating Expense				36.00%
Profit				5.00%
Combined Ratio				112.67%
Indicated Rate Level Needed				12.67%

Rate level indications were calculated using the existing 4 years of company specific earned premium and incurred losses on a policy year basis. Catastrophe claims were excluded from the ELR calculation, as we anticipate these outliers in the typical claim development. With all expense including LAE included in the General and Operating expenses, the combined ratio exceeds 100% of premium. This indicates a need of an overall 12.67% rate increase for the Kentucky National Homeowner's programs. We anticipate inflation and the other claim trends to remain constant during the next year of our program.

We have chosen to increase rates by 8.84%; slightly less than the indicated change of 12.67%. We have chosen the lower amount due to the potential for adverse selection by our competitors. Our overall experience is not credible due to the short tenure of our book of business, so most of the trending is based on competitor data.

# Kentucky National Insurance Company By Policy Effect of Homeowners Rate Changes

