



**AMERICAN MODERN SELECT  
INSURANCE COMPANY**

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**(085)**

*New Business 02-10-13*

*Renewal Business 02-16-13*

**DP-3**

**DP-1**

**DP-1 Vacant**

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**Specialty Dwelling Program Manual**

# DP-3, DP-1 & DP-1 Vacant Programs - COVERAGES & FEATURES

Eligibility & Coverages			
	DP-3	DP-1	DP-1 Vacant
<b>Target Market</b>	Designed to accept individuals who have Rental/Seasonal properties that would normally qualify for coverage with a standard carrier.	Dwelling owner that does not desire and/or qualify for coverage on a homeowners form. Also, stand alone structures like pole barns, camping structures, boat houses, etc. See Risk Characteristics section for more details.	Dwellings, Manufactured Homes and Condominiums temporarily vacant due to renovation, lapse in intency, real estate closing, or being held for sale.
<b>Condition of Home</b>	Above average to excellent condition.	Fair or better condition.	Fair or better condition, exhibiting proper maintenance.
<b>Policy Form</b>	S2002 (07/88)	S2001 (07/88)	S2001 (07/88)
<b>Policy Term</b>	12 months Effective 12:01 AM Standard Time	12 months Effective 12:01 AM Standard Time	3, 6 or 12 months Effective 12:01 AM Standard Time
<b>Loss Settlement</b>	Replacement Cost	Actual Cash Value	Actual Cash Value
<b>Optional Loss Settlement Options</b>	ACV or Agreed Value Modified Functional Replacement Cost	Full Repair Cost	Full Repair Cost
<b>Minimum Dwelling Value</b>	\$75,000	\$20,000 (Seasonal \$5,000)	\$20,000 (Mobile Home and Condominium Vacant \$5,000)
<b>Maximum Dwelling Value</b>	\$500,000	\$300,000	\$500,000
<b>Maximum Dwelling Age</b>	80 years of age	no age limit	no age limit
<b>Occupancy</b>	Rental or Seasonal	Owner, Rental or Seasonal	Vacant
<b>Multi-Family</b>	1,2,3 or 4 family Up to 3 stories	1,2,3 or 4 family Up to 3 stories	1,2,3 or 4 family Up to 3 stories
<b>Location of Home</b>	Protection Classes 1 - 10	Protection Classes 1 - 10	Protection Classes 1 - 10
<b>Supplemental Heating Device</b>	\$40 surcharge	\$40 surcharge	N/A
<b>Water Mold Limit</b>	10% of Coverage A or \$20,000, whichever is less	N/A	N/A
Perils Insured Against			
<b>Dwelling &amp; Other Structures</b>	Comprehensive Coverage	Named Peril (Fire & E.C.)	Named Peril (Fire & E.C.)
<b>Personal Property (optional)</b>	Named Peril	Named Peril (Fire & E.C.)	Named Peril (Fire & E.C.)
<b>Deductible</b> (additional options available)	\$500 All Other Peril <b>60:</b> 1% Named Windstorm <b>62-65:</b> 5% Named Windstorm	\$500 All Other Peril <b>60:</b> 1% Named Windstorm <b>62-65:</b> 5% Named Windstorm	\$500 All Other Peril <b>60:</b> 1% Named Windstorm <b>62-65:</b> 5% Named Windstorm
Additional Coverages Automatically Included			
<b>Other Structures</b>	Up to 10% of Coverage A limit Increase Optional	Up to 10% of Coverage A limit (reduces Coverage A) Increase Optional	Up to 10% of Coverage A limit (reduces Coverage A) Increase Optional
<b>Debris Removal</b>	Reasonable Expense	Reasonable Expense	Reasonable Expense
<b>Rental Value</b>	Up to 10% of Coverage A limit Increase Optional	Up to 10% of Coverage A (reduces Coverage A) Increase Optional	Up to 10% of Coverage A (reduces Coverage A)
<b>Reasonable Repairs</b>	Reasonable and Necessary	Reasonable and Necessary	Reasonable and Necessary
<b>Fire Department Ser. Charge</b>	Up to \$500	Up to \$500	Up to \$500
Optional Additional Coverages			
<b>Additional Living Expense</b>	10% of Coverage A Included	Up to 20% of Coverage A Owner Occupied only	<i>not available</i>
<b>Per. Prop. Replacement Cost</b>	<i>available</i>	<i>not available</i>	<i>not available</i>
<b>Personal Liability Coverage</b>	<i>not available</i>	Owner-Occupied only	<i>not available</i>
<b>Premises Liability Coverage</b>	Rental & Seasonal	Rental & Seasonal	<i>available</i>
<b>Residence Burglary</b>	<i>available</i>	<i>available</i>	<i>available</i>
<b>Satellite Antenna</b>	<i>not available</i>	Wind and Hail Buy-back	Wind and Hail Buy-back
<b>V&amp;MM</b>	<i>included</i>	<i>available</i>	<i>available</i>
<b>Structure Endorsement</b>	<i>not available</i>	Seasonal Only	<i>not available</i>
<b>Short Term Rental</b>	Rental Only	Rental Only	<i>not available</i>
<b>Occasional Rental</b>	Seasonal Only	Owner & Seasonal	<i>not available</i>
<b>Vacancy Permission</b>	<i>available</i>	<i>available</i>	<i>included</i>
<b>Identity Recovery</b>	Seasonal Only	Owner & Seasonal	<i>not available</i>
<b>Equipment Breakdown</b>	<i>available</i>	<i>available</i>	<i>available</i>

# RULES AND DEFINITIONS

## GENERAL RULES AND RATING INFORMATION

- |                            |   |
|----------------------------|---|
| 1. Application             | The agent's and applicant's <b>signatures</b> are <b>required</b> .   |
| 2. Insurance to Value      | D1: Dwelling must be insured to <b>market value</b> (excluding land value) not to exceed <b>replacement cost</b> .<br>D3: Dwelling must be insured to <b>100% full replacement cost</b> , excluding land value. Dwelling must be insured to <b>100% Market Value</b> , excluding land value, if either ACV or Agreed Value Functional Replacement Cost is chosen. |
| 3. Whole Dollar Rule       | All premiums shall be rounded to the <b>nearest whole dollar</b> .  |
| 4. Cancellation Rule       | <b>No flat cancellation</b> is allowed if coverage has been provided under our policy.  |
| 5. Transfer or Assignment  | Our policies may <b>not</b> be transferred or assigned.   |
| 6. Minimum Written Premium | There is a \$100 <b>minimum written</b> premium for all programs.   |
| 7. Inspection Fee          | An inspection report may be reviewed as part of the underwriting evaluation for any applicant.  |
| 8. Claims Verification     | A C.L.U.E. report showing past claims history will be ordered.  |
| 9. Insurance Score         | Will be used to determine financial responsibility.   |

## DEFINITIONS

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|--------------------------------------|--|
| 1. Owner Occupied Dwellings          | Dwellings owned by the insured that are occupied on a <b>full-time</b> basis as the insured's primary residence for <b>at least five (5)</b> consecutive months. (Dwellings may not be rented to others for any length of time unless Occasional Rental Coverage applies.)                               |
| 2. Seasonal/Secondary Dwellings      | Dwellings owned by the insured that are occupied on an intermittent or <b>non-continuous</b> basis as the insured's secondary or seasonal residence for less than five (5) consecutive months. (Dwellings may not be rented to others for any length of time unless Occasional Rental Coverage applies.) |
| 3. Rental Dwellings                  | Dwellings owned by the insured that are rented to others for residential purposes.   |
| 4. Vacant Dwellings                  | Dwellings, manufactured and/or modular homes or condominiums that are unoccupied, whether or not the contents have been removed.   |
| 5. Supplemental Heating Device       | Wood, coal or pellet burning stoves, space heaters, and any other heating device that is not centralized. The thermostatically controlled space heaters do not require the Supplemental Heating Device Surcharge.<br><b>Portable kerosene heaters or space heaters are ineligible.</b>                   |
| 6. Stand Alone Structure Endorsement | Structures must have a roof and may or may not be fully enclosed and does not have living quarters. Examples include pole barns, camping structures and covered boat slips.  |
| 7. Row Home / Town Home              | More than 2 residences where the interior and exterior is owned by the insured and is connected by a common wall to other dwellings/units not owned by our insured. Risk should not be considered a condominium.   |

## TEMPORARY SUSPENSION OF WRITINGS

During Temporary Suspensions of Writing, do not accept any applications for new coverage, requests to increase coverage limits, or requests to lower deductibles on existing policies. Existing American Modern policies will renew during this time, provided there is no increase in coverage or lapse between policies.

### Impending Severe Weather

Impending severe weather includes, but is not limited to:

- ◆ Tornado watches and/or warnings
- ◆ Flood watches and/or warnings
- ◆ Tropical storm or Hurricane watches and/or warnings

### Earthquake

- ◆ Restrictions begin with the occurrence of an earthquake or aftershock, of 5.0 Richter (or greater), and continue for a period of 72 hours for dwellings located in counties (in their entirety) within 100 miles of the epicenter.

### Wildfire

- ◆ No risks may be bound within a 25 mile radius of any existing wildfire.

**For Updates Call (888) 593-3032 or LOG ON to our website: [www.amig.com/agents/bindres.html](http://www.amig.com/agents/bindres.html)**

# QUOTING PROCEDURE

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Rate pages are not available for this program.

Quoting and issuance of policies will only be available through **modernLINK**®. If you do not have access to our Award Winning website, you may call Customer Care or your General Agent, whichever applies.

In **modernLINK**, an accurate quote will be ensured by entering all of the requested information. After the **ELIGIBLE PROGRAMS** page, you will be asked to verify some information about the applicant before the Insurance Score is ordered. On this page is our disclosure to the insured that credit history as well as other third party reports may be ordered. **You must read this statement to the insured before proceeding.** Below is the text you will see:

*In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score. We may also obtain loss history and other consumer reports using a third party. The above information may be used to develop your premium or to determine your eligibility for insurance.*

Based on Insurance Score, if the quoted customer is not receiving the best rate, they must receive a Fair Credit Reporting Act notice. This is true even if they do not wish to proceed with the quote. **modernLINK** will print this notice when a quote or application is printed, or can be printed alone. If you are receiving a quote by phone, this notice will be faxed to you to give to the customer. If the customer is not in your office, you will need to mail the notice to that customer. This procedure satisfies the requirements of the Fair Credit Reporting Act.

## TERRITORY ALIGNMENT

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Unless otherwise indicated, the rates and/or premiums apply to the entire state.

**TERRITORY 60 - Counties of:**

Remainder of State

**TERRITORY 61 - Counties of:**

Abbeville, Aiken, Anderson, Cherokee, Chester, Edgefield, Fairfield, Greenville, Greenwood, Laurens, Lexington, McCormick, Newberry, Oconee, Pickens, Richland, Saluda, Spartanburg, Union, York

**TERRITORY 62 - Counties of:**

Florence, Marion, Williamsburg

**\*TERRITORY 63 - Counties of:**

Berkeley, Colleton, Dorchester, Jasper

**\*TERRITORY 64 - Counties of:**

Beaufort, Charleston, Georgetown, Horry

**\*TERRITORY 65 - Beach areas of:**

Beaufort, Charleston, Colleton, Georgetown, Horry

*\*Restricted Territories for New Business*

## DIRECT BILL PREMIUM PLANS

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**Direct Bill** is American Modern Insurance Group's own automated billing and processing system. With the completion of an easy application, this system will automatically produce a declarations page, bills and renewals. All policies can be dispatched from our office to the insured. Please inquire for details.

**We now accept Credit Cards and one-time EFT as a method of payment.**

### ANNUAL POLICIES

1. Paid in Full.
2. 4-Pay Plan - 25% down with 3 installments. Collect the 25% down. We will bill in 3 installments which will be due by day 50, day 140, & day 230.
3. 10-Pay Plan - 16.3% down with 9 installments. Collect the 16.3% down. We will bill in 9 installments which will be due by day 40, day 70, day 100, day 130, day 160, day 190, day 220, day 250, & day 280.
4. EZPay - 2 months downpayment required with 10 additional installments automatically deducted from a savings/checking account. Collect the downpayment and submit signed application form 00220-08-G with application and a voided check or deposit slip. The customer may choose date of automatic withdrawal.

**A SERVICE CHARGE IS ASSESSED FOR EACH INSTALLMENT, INCLUDING THE DOWN PAYMENT. LATE PAYMENT FEES AND REINSTATEMENT/LAPSE CHARGES MAY APPLY.**

# TARGET MARKET

- DP-1**
- Designed to meet the needs of the dwelling owner that has RENTAL or SEASONAL property or OWNER-occupied when the owner does not desire and/or qualify for coverage on a homeowners form. Risks should be in fair or better condition. **“Fair condition”** means the home is structurally sound with no visible sagging porches or rooflines. A home in fair condition may also need cosmetic repairs such as paint, missing shutters, or other items that may affect the visible condition but does not affect the integrity of the structure. **“Unacceptable condition”** includes, but is not limited to, broken or boarded up windows, unrepaired vandalism or damage, sagging porches and roofs, or excessive debris in the yard.

- Vacant (DP-1)**
- Designed for dwellings that are in fair or better condition, which exhibit proper maintenance, and are temporarily VACANT due to one of the following conditions:
    - Renovation or remodeling
    - Between tenancy or real estate closings
    - Dwellings held for sale and on the market
    - Investment properties
- Dwellings vacant more than 12 months must be submitted for approval with 2 photos (front and back) prior to binding. Photos may be emailed to your underwriter directly or to the underwriting mailbox at underwriting@amig.com. If you are a subproducer please email your General Agent. Please include insured's name and quote number on the email.**

- Special attention must be given to the upkeep of the property and the reason the home remains vacant. For vacant homes, the dwelling must show signs of continued maintenance such as mowed lawns and yards relatively clean of debris.

**Vacant Manufactured Homes and Condominiums are eligible for this program.**

- DP-3**
- Designed to accept individuals who have RENTAL or SEASONAL properties that would normally qualify for coverage through a standard carrier. **OWNER occupied homes are not eligible in the DP-3 program.** All homes must be 80 years of age or newer.

The program may also be used to accept individuals who may have difficulty obtaining homeowner insurance with standard carriers due to unfavorable liability exposures, such as a swimming pool, trampoline, business exposure, or animals.

Risks must be in above average or better condition and reflect responsible ownership in the maintenance and upkeep of the property.

Risks with peeling paint, sagging gutters, overgrown premises, or cluttered with debris about the premises are not acceptable.

## UNDERWRITING

A **CLUE report** will be obtained for all new business risks. • **Inspections may be ordered for new business risks.**

## PRIOR LOSS HISTORY

		DP-1	DP-3
<b>LOSSES IN THE PAST 3 YEARS</b>		<b>Maximum 3 losses.</b> No more than 1 fire or liability loss. No more than 2 of any other single cause of loss excluding weather.	Up to 1 non-weather loss and 2 weather losses.
		If the applicant has <b>more than 5 rental properties</b> and incurred losses exceed these guidelines then, Submit, Do Not Bind.	
<b>SUBMIT, DO NOT BIND</b>	<b>FIRE LOSSES &gt; \$10,000</b>	Provide details of fire, including preventative measures taken to prevent future fires. A copy of the fire report is required. Arson, or intentional act by applicant NOT acceptable.	
	<b>ALL LIABILITY LOSSES</b>	Maximum available \$100,000 Liability and \$1,000 Med Pay.	
	<b>THEFT LOSSES &gt; \$5,000</b>	Provide preventative measures taken.	
	<b>WATER LOSSES &gt; \$5,000</b>	N/A	Mold inspection from applicant may be required.
<b>GENERAL GUIDELINES</b>		Prior losses include any loss incurred on any property and/or structure owned, rented, or leased by the applicant. Complete details regarding the loss such as cause, location, date, and the amount paid for the loss are required. All repairs from prior losses must be complete.	

# RISKS CHARACTERISTICS

<b>Animals</b>	<ul style="list-style-type: none"> <li>◆ Applicants with large, unusual, exotic, vicious, or potentially vicious animals are <b>ONLY</b> acceptable with the Animal Liability Exclusion, or if the policy is written without liability coverage. Animals in this category include, but are not limited to: <ul style="list-style-type: none"> <li>Animals with a previous bite history or vicious propensities</li> <li>Dobermans, Chows, Rottweilers, Akitas, American Staffordshire Terriers (Pit Bulls), attack dogs and Wolf Hybrids, (or any mix thereof) Ostriches, Emus, Horses, Farm or Ranch animals, or any type of wild exotic animals or pets.</li> </ul> </li> </ul>
<b>Swimming Pools</b>	<ul style="list-style-type: none"> <li>◆ In-ground pools must have a fence, at least four feet high with a locking gate that encloses the pool.</li> <li>◆ Above-ground pools must have either a fence, at least four feet high with a locking gate that encloses the pool or steps and ladders that can be secured, locked, or removed when the pool is not in use.</li> <li>◆ Risks not meeting this criteria are acceptable if liability coverage is <b>NOT</b> included.</li> </ul>
<b>Roof</b>	<ul style="list-style-type: none"> <li>◆ DP-1: No age restriction.</li> <li>◆ DP-3: Must be 20 years of age or newer. Exceptions to this rule are tile and concrete tile roofs, steel or heavy gauge metal roofs. Aluminum, metal (specific type unknown), tin, and flat roofs are <b>NOT</b> acceptable.</li> </ul>
<b>Wiring</b>	<ul style="list-style-type: none"> <li>◆ DP-1 &amp; DP-3: Knob &amp; tube wiring is <b>NOT</b> acceptable.</li> <li>◆ DP-3: <b>Must</b> have circuit breakers. Fuse boxes (full or partial) are <b>NOT</b> acceptable.</li> </ul>
<b>Heating</b>	<ul style="list-style-type: none"> <li>◆ Primary heat source must be thermostatically controlled and <b>NOT</b> a supplemental heating device unless written as Seasonal DP-1.</li> </ul>
<b>Supplemental Heating</b>	<ul style="list-style-type: none"> <li>◆ Supplemental heating devices include wood/coal/pellet or any other solid fuel burning device. <ul style="list-style-type: none"> <li>○ Kerosene and other portable space heaters are <b>NOT</b> acceptable.</li> </ul> </li> <li>◆ <b>Note:</b> Fireplaces are <b>NOT</b> considered supplemental heating devices unless equipped with a fireplace insert.</li> </ul>
<b>Row Homes or Town Homes</b>	<ul style="list-style-type: none"> <li>◆ Must have firewalls separating each unit.</li> <li>◆ Contain 8 units or less in a row.</li> <li>◆ Must have roof and electric updated in the past 20 years if home is 61 years or older.</li> </ul>
<b>Business on Premises</b>	<ul style="list-style-type: none"> <li>◆ Some incidental businesses on premises may be eligible. This could include home offices, and other small businesses with very light or no foot traffic. Depending on the nature of the business, it may be eligible either with or without liability coverage, at the underwriter's discretion. Ineligible businesses include, but are not limited to: home day care, beauty salons, automotive repair, welding, dog kennels, retail stores, and any business where potentially dangerous chemicals or activities may be involved.</li> </ul>
<b>Farming on Premises</b>	<ul style="list-style-type: none"> <li>◆ Acceptable if liability coverage is <b>NOT</b> included.</li> </ul>
<b>In Name of Corporation</b>	<ul style="list-style-type: none"> <li>◆ Owner-occupied acceptable if Personal Liability coverage is <b>NOT</b> included.</li> <li>◆ Premises liability coverage is available for Rental, Seasonal, and Vacant risks.</li> </ul>
<b>Non-Renewed Or Canceled</b>	<ul style="list-style-type: none"> <li>◆ Applicants non-renewed or canceled by the prior carrier due to excess losses, large losses, payment problems or physical hazards must provide reason for non-renewal or cancellation. <b>Submit, Do Not Bind applicants with this characteristic.</b></li> </ul>
<b>Steps, Porches and Decks</b>	<ul style="list-style-type: none"> <li>◆ Must have secured handrails if 3 feet or more above the ground.</li> <li>◆ Risks not meeting this criteria are acceptable if liability coverage is NOT included.</li> </ul>
<b>Uninsured Properties</b>	<ul style="list-style-type: none"> <li>◆ <b>The following applies for Seasonal DP-1:</b> <ul style="list-style-type: none"> <li>○ If dwelling value is greater than or equal to \$30,000 and dwelling has been uninsured for more than 30 days, <b>DO NOT BIND/SUBMIT</b> for approval with explanation.</li> <li>○ If the dwelling value is less than \$30,000, there is no prior insurance requirement.</li> </ul> </li> <li>◆ <b>For all DP-3 and Owner, Rental and Vacant DP-1:</b> <ul style="list-style-type: none"> <li>○ If the risk has been uninsured for 31-90 days <b>DO NOT BIND/SUBMIT</b> with explanation.</li> <li>○ If the risk has been uninsured for more than 90 days then <b>DO NOT BIND/DO NOT SUBMIT</b>. Special exceptions may be made for extenuating circumstances. Please contact your underwriter for consideration with full details.</li> </ul> </li> </ul>
<b>Occasional Rental</b>	<ul style="list-style-type: none"> <li>◆ Home must be occupied for at least 4 months and only occasionally rented.</li> <li>◆ Vandalism and Malicious Mischief Tenant exclusions will not apply.</li> </ul>
<b>Short Term Rental</b>	<p>The following applies to Rental DP-1 and DP-3.</p> <ul style="list-style-type: none"> <li>◆ The Lease Term must be less than 3 months and can be a weekly rental.</li> <li>◆ Insured lives within 100 miles of the property or the property is managed by a property manager.</li> <li>◆ Vandalism and Malicious Mischief Tenant exclusions will not apply.</li> <li>◆ Reduction in Coverage when Vacant or Unoccupied will not apply.</li> </ul>

# RISK CHARACTERISTICS (Continued)

## Stand Alone Other Structures

### ◆ Structure Endorsement – DPB00 (06/08)

- The Structure Endorsement is used for structures that are not dwellings and don't look like dwellings, but may have small or minimal living quarters. The Structure Endorsement (DPB00) allows the adjuster to identify that we are covering a non-residence under Coverage A.

The Structure Endorsement (DPB00) will provide coverage for the following structures:

- structures used for seasonal purposes such as camping structures
- casitas (RV Canopies, awnings, building structures that may contain minimal living areas and outdoor living areas not attached to the RV)
- boat houses (no living quarters), covered boat slips or boat docks
- structures like pole barns, garages or cabanas

If the structure has living quarters and is used for seasonal purposes, it may be written as seasonal dwelling without this endorsement. If the structure looks more like a dwelling, then it should be written normally depending on the occupancy without this endorsement. The intent of the Structure Endorsement is to provide a way to write structures that are not dwellings and would not normally be acceptable.

- Coverage A will be provided on these risks with the same options available in our Seasonal DP-1 Program.
- When the Structure Endorsement is attached, we allow boat house structures and covered boat slips to be written. No liability is available for boat houses/covered slips. Please note: For mechanical lift coverage, please see our First Choice Watercraft Program for coverage availability. We also permit the open pier and stilt structures for these risk.
- When 2 or more structures need to be insured on the same premise and neither is a dwelling, the largest structure should be insured as the Coverage A with the Structure Endorsement. The 2<sup>nd</sup> structure should be written as Other Structure Coverage on the same policy. If multiple structures are on the premises, they all must be in condition acceptable for the program, regardless of whether American Modern is insuring all structures or not.

### ◆ How to Bind Stand Alone Other Structures

- Select Seasonal Occupancy DP-1 in modernLINK
- On Coverage Page, answer yes to either of these risk code questions:
  - Is the dwelling Coverage A amount being requested for an Other Structures only policy such as a pole barn, storage building or camping structure?
  - Is the structure a boathouse or covered slip without living quarters?
- Finally, provide a description in the memo field of the risk.

### ◆ Risk Code OS - Other Structure or SB - Boat Slip

## Vacant Home Builder's Risk Renovation Coverage

Builder's Risk Renovation is intended for Vacant Homes that are undergoing major renovations or completion of new construction (home must be fully enclosed). The endorsement will allow you to insure the renovation amount prior to completion. The renovation amount should equal the value of improvements, alterations or repairs to buildings or structures under renovation. When entering the dwelling limit in modernLINK, the limit should include the dwelling value plus the renovation amount. (For example, if the dwelling value is \$60,000 and the renovation amount is \$15,000, then enter \$75,000.) A separate question will be asked for the renovation amount as this will be used for underwriting and claims purposes.

The endorsement includes coverage for scaffolding or temporary building constructions. Theft of Building Materials is covered up to a \$5,000 limit. If Premises Liability is purchased, Independent Contractor's liability is excluded.

Upon completion of renovations, the Builder's Risk Coverage must be requested to be removed by the insured.

### ◆ Examples of when the Builder's Risk Renovation could be endorsed:

- Homes that have just been purchased undergoing major renovation.
- Unfinished newly constructed homes that have been purchased out of foreclosure or bankruptcy prior to the home being 100% complete by the builder. The endorsement would cover the home while undergoing its final construction. The home must be fully enclosed.

## RISK CHARACTERISTICS (Continued)

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### Vacancy Permission Endorsement DP-1 and DP-3

Vacancy Permission allows an owner, rental, or seasonal home to be temporarily written as a vacant home. When an owner, rental, or seasonal home goes temporarily vacant this endorsement can be added to prevent having to cancel and rewrite the policy. Once the home is no longer vacant the endorsement just has to be removed and the policy will switch back to the original owner, rental, or seasonal dwelling.

- ◆ **DP-1** – The agent is writing a new policy for an insured and the home is currently vacant, perhaps being renovated or in the process of trying to rent it out, and the plan is for it to be either a rental, owner, or seasonal in the future.
- ◆ **DP-3** – This option is available for DP-3 as long as the risk itself qualifies for a DP-3 per the Underwriting guidelines (in other words, no homes under renovation, home must be in above average condition, age of roof and home quality, etc.)
- ◆ **DP-3** – In modernLINK, simply enter a quote like a typical DP-3, Rental, or Seasonal. Then on the Coverage page select the Vacancy Surcharge coverage. This coverage will treat the policy as a DP-3 vacant.



# RISKS THAT ARE NOT ACCEPTABLE - DO NOT BIND • DO NOT SUBMIT

<b>Applicants</b> <i>With these characteristics</i>	<ul style="list-style-type: none"><li>◆ Currently unemployed, other than retired or disabled</li><li>◆ Four or more losses of any kind in the last three years (<i>For additional guidelines see "Prior Loss History"</i>)</li><li>◆ Past conviction for arson, fraud, or other insurance-related offenses</li><li>◆ Mortgage payments 60 days or more past due or currently in foreclosure</li><li>◆ More than two lienholders and/or mortgagees</li></ul>
<b>Dwellings</b> <i>With these characteristics</i>	<ul style="list-style-type: none"><li>◆ Attached to, occupied as, or converted from a commercial risk</li><li>◆ Condemned or abandoned</li><li>◆ Under construction, undergoing major renovations that require the dwelling to be unoccupied (unless written in the Vacant Dwelling program) <i>(Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering)</i></li><li>◆ Unrepaired or existing damage such as broken or boarded up windows (unless written in the Vacant Dwelling program and undergoing renovations)</li><li>◆ No intent to reoccupy or sell</li><li>◆ Hand hewn log homes, earth homes, dome homes, open pier homes or stilt homes (unless the risk is a covered boat slip on stilts or poles and the Structure Endorsement applies)</li><li>◆ Manufactured homes, modified manufactured homes, condominiums or trailers (if vacant, manufactured homes or condominiums may be eligible for the Vacant Dwelling Program)</li><li>◆ Open foundations (DP-3 only)</li><li>◆ Non-conventional construction or design (<i>Shell homes, Do-It-Yourself construction, or homemade homes</i>)</li><li>◆ Primary heat source NOT thermostatically controlled or a supplemental heat source, unless risk is DP-1 Seasonal.</li><li>◆ Kerosene or portable space heaters</li><li>◆ Underground fuel tank on premises if liability coverage is included on policy</li><li>◆ Without smoke detectors unless written in Seasonal or Vacant</li><li>◆ Aluminum, metal (specific type unknown), tin and flat roofs (DP-3 only)</li><li>◆ Without utilities such as natural gas, electric, or water unless dwelling is Seasonal or Vacant</li><li>◆ In the name of a corporation if personal liability coverage is included on policy</li><li>◆ With farming conducted on premises, if liability coverage is included on policy</li><li>◆ Fraternities, sororities, student housing or other similar types of occupancies</li><li>◆ In a landslide area</li><li>◆ In an isolated area, not accessible by road unless Seasonal DP-1</li><li>◆ In a forest fire, brush fire area or within 500 feet of brush</li><li>◆ Owner Occupied homes in the DP-3 program.</li><li>◆ Rented out for less than 3 months including weekly rentals unless the Short Term Rental Coverage is purchased</li><li>◆ Owner and seasonally occupied dwellings that are rented out for any length of time unless the Occasional Rental Coverage is purchased</li><li>◆ Homes that are not fully enclosed</li><li>◆ Row Homes or Town Homes that contain more than 8 units and do not have fire walls separating each unit</li><li>◆ Row Homes whose roof and electric haven't been updated in the past 20 years, if home is 61 years or older</li><li>◆ Dwelling located on an island or within 1,000 feet of a seacoast, bay or sound.</li></ul>
<b>Other Structures</b> <i>With these characteristics</i>	<ul style="list-style-type: none"><li>◆ In poor physical condition and not properly maintained (unless the Other Structures Exclusion is attached)</li><li>◆ Kerosene or portable space heaters (unless the Other Structures Exclusion is attached)</li></ul>

**Circumstances reflecting an unusual exposure or increase in hazard not addressed above are unacceptable.**

## CANCELLATION PROCEDURES

American Modern Insurance Group, Inc. will accept a request to cancel a policy when accompanied by proper documentation, which is a letter or LPR signed and dated by the named insured. If the request is received more than 90 days after the requested cancellation date, the signed and dated request must also be accompanied by the following:

- ◆ A dec page from another carrier showing coverage in force from that date
- ◆ A bill of sale or other proof that the insured no longer had an interest in the home from the date

Other acceptable reasons for backdating a cancellation request:

- ◆ Duplicate American Modern policy providing coverage for the same risk exists – valid American Modern policy number must be provided
- ◆ The request to cancel is due to a total loss to the home and the cancellation date is after the total loss

# OPTIONAL COVERAGES

Coverage	Available Occup.	Limits	Rates	Included Coverages	Important Information	Codes
<b>Personal Liability</b>	Owner	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000 \$500,000	<u>1-4 Fam</u> \$35.00 \$50.00 \$70.00 \$85.00 \$100.00 \$120.00	\$500 Medical Payments each person, \$25,000 each occurrence	\$10,000 Animal Liability Sub-Limit applies.	<b>K3</b>
<b>Premises Liability</b>	Rental Seasonal Vacant	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000 \$500,000	<u>1-4 Fam</u> \$35.00 \$50.00 \$70.00 \$85.00 \$100.00 \$120.00	\$500 Medical Payments each person, \$25,000 each occurrence.	Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>L2</b>
<b>Medical Payments - Personal and Premises Liability</b>	Owner Rental Seasonal Vacant	Max.: \$5,000	\$5.00 for \$1000, \$2.00 for each additional \$1,000	\$500/\$25,000	Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>BA</b>
<b>Personal Property</b>	Owner Rental Seasonal Vacant	Min: \$1,000 Max: 100% of Coverage A	\$4.00 per \$1,000	None	Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>7M1 707 7M2 708 7M3 709 744 775 745 784 774 785</b>
<b>Personal Property Replacement Cost</b>	Rental Seasonal		\$2.00 per \$1,000		DP-3 Program only. Limit must equal Coverage C.	<b>BK</b>
<b>Additional Living Expense</b>	Owner	Max: 20% of Coverage A	\$5.00 per \$1,000	<b>DP-3: 10%</b>	Increase only available in the DP-1 Program only	<b>46</b>
<b>Fair Rental Value</b>	Owner Rental Seasonal	Max: 20% of Coverage A	\$7.00 per \$1,000	<b>DP-1: 10% reduces Coverage A DP3: 10%</b>		<b>49</b>
<b>Optional Deductibles</b>	Owner Rental Seasonal Vacant	<u>All Peril Options</u> \$1,000 \$2,500 \$5,000	<u>Max Credit \$200.00</u> -7% -14% -20%	<u>All Territories Base Ded.</u> \$500 <u>Named Windstorm</u> <u>Territory 60: 1%</u> <u>Territories 62-65: 5%</u>	Does not change V&MM or Named Windstorm Deductible	<b>H8</b>
<b>Other Structures Coverage</b>	Owner Rental Seasonal Vacant	Max: 50% of Coverage A, not to exceed \$30,000	\$5.00 per \$1,000	<b>DP-1: 10% reduces Coverage A DP3: 10%</b>	Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>A1</b>
<b>Residence Burglary</b>	Owner Rental Seasonal Vacant	Seasonal Max: \$10,000 Vacant Max: \$5,000	\$30.00 per \$1,000	None		<b>B1</b>
<b>Vandalism and Malicious Mischief</b>	Owner Rental Seasonal Vacant		\$ .70 per \$1,000	DP-3 Includes V&MM as a covered peril	\$500 deductible applies. Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>B2</b>
<b>Windstorm and Hail Buy-Back for Antennas</b>	Owner Rental Seasonal Vacant		\$3.00		DP-1 Program only Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>PK</b>
<b>Structure End.</b>	Seasonal		Seasonal Rates		DP-1 only	<b>OS</b>
<b>Identity Recovery</b>	Owner Seasonal	\$15,000	\$20.00		Offers coverage for expenses incurred by an insured as a direct result of an identity theft discovered during the policy period.	<b>RY</b>
<b>Equipment Breakdown</b>	Owner Rental Seasonal Vacant	\$25,000	\$500 Ded. - \$25.00		Provides equipment breakdown protection for systems and appliances in the home.	<b>F0</b>

## OPTIONAL COVERAGES - continued

Coverage	Available Occup.	Limits	Included Rates	Coverages	Important Information	Codes
<b>Builders Risk Renovation Cov.</b>	Vacant		5% Surcharge			<b>SX</b>
<b>Property Manager Premises Liability</b>	Rental Seasonal Vacant		\$50.00		Property manager must be listed as an additional insured.	<b>MM</b>
<b>Water Backup and Sump Discharge or Overflow</b>	Owner Rental Seasonal	\$5,000	\$50.00		DP-3 only.	<b>BB</b>

## OPTIONAL EXCLUSIONS FOR RISK ACCEPTANCE

Coverage	Available Occup.	Limits	Included Rates	Coverages	Important Information	Codes
<b>Animal Liability Exclusion</b>	Owner	N/A	\$3.00 Credit		This exclusion will remove all Animal Liability Coverage.	<b>LE</b>
<b>Other Structures Exclusion</b>	Owner Rental Seasonal Vacant	N/A	\$3.00 Credit		This exclusion will remove all Other Structures Coverage at the insured premises. Rates for 3 and 6 month vacant policies are pro-rated, rounded to the nearest dollar.	<b>AZ</b>
<b>Wind/Hail Exclusion</b>	Owner Rental Seasonal Vacant	N/A	<u>Territory</u> 63      -13%    -16% 64      -23%    -28% 65      -25%    -33%		Mandatory for areas served by the South Carolina Wind and Hail Underwriting Association.	<b>U6</b>
<b>Roof Exclusion</b>	Owner Rental Seasonal	N/A	\$3.00 Credit		Available for DP-1 only. Physical damage to the roof can be excluded when an insured intends to make repairs to or replace a damaged/older roof. This exclusion should not be used as a means to secure coverage and defer repairs or replacement of the roof. The exclusion may be removed once the roof work is complete.	<b>RC 9N</b>

## CREDITS/SURCHARGES

Premium surcharges and/ or credits may apply for the following:	Rates	Important Information	Code
2, 3 or 4 Family Surcharge		<b>2 Fam</b> 10% <b>3-4 Fam</b> 50%	<b>2F - 28</b> <b>3F - 29</b> <b>4F - 43</b>
Masonry Construction Credit	-15%	Owner, Rental & Seasonal Risks only	
Senior Credit	-10%	Owner Occupied only 50 years of age or older	
Protective Device Credit (10% Maximum)	-5% -2% -5%	Central Station Remote Station Dead Bolts, Smoke Alarm, Fire Extinguisher	<b>72, 73</b> <b>E4, E5</b> <b>D6</b>
Supplemental Heating Devices	\$40.00	Owner, Rental & Seasonal Risks Only	<b>H2</b>
Age of Home Credits and Surcharges	<b>Age of Home</b> <b>Credit/Sur.</b> 0                    -20% 1                    -17% 2                    -13% 3                    -10% 4                    -5% 5                    -2% 6-49                0% 50-69               +5% 70-80               +10% 81+                 +15%	DP-1 and DP-3 only (does not include vacant)	
Short Term Rental	\$40.00	To provide coverage for short term rental (less than 3 months) of Rental Properties.	<b>ST</b>
Occasional Rental	15% of Coverage A	To provide coverage for occasional rentals for Owner or Seasonal Properties.	<b>PP</b>
Vacancy Permission	Territory - 60-63 \$.20 per \$100 Territory - 64-65 \$.32 per \$100	For an Owner, Rental or Seasonal home that is temporarily vacant.	<b>VS</b>
Row Home / Town Home Surcharge (see page 5 for more information)		25% Surcharge	<b>RC</b> <b>U3</b>

# SETTLEMENT OPTIONS

Options	Definition	Rates		Codes
		DP-1	DP-3	
<b>Actual Cash Value (ACV)</b>	The cost to repair or replace property with new materials of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence. Home must be insured to 100% Market Value (excluding land).	Included	Optional (No Charge)	<b>1</b>
<b>Replacement Cost*</b>	The full cost to repair or replace property, with no deduction for depreciation.	N/A	Included	<b>2</b>
<b>Full Repair Cost (DP-1) / Agreed Value Modified Functional Replacement Cost (DP-3)</b>	Agreed upon amount the insurer will pay the insured to repair or replace damaged property in the event of a total loss of the property insured without any adjustment for depreciation or appreciation. Partial losses settled at the functional replacement cost up to the policy limit. Home must be insured to 100% Market Value (excluding land).	5%	6%	<b>DP-1: 5 DP-3: 4</b>

\*Replacement Cost subject to modernLINK value calculation.

# FORMS LISTING (For Reference Only)

Form Number	Title	DP-1				DP-3	
		O	R	S	V	R	S
0110-4269 (05/92)	Declarations Page						
S2001 (07/88)	Dwelling Property – Basic Form (DP-1)						
S2002 (07/88)	Dwelling Property - Special Form (DP-3)						
D1D3APP-SC-INS (11/12)	South Carolina Dwelling Application						
<b>MANDATORY ENDORSEMENTS</b>							
D3W00 (01/08)	Dwelling Property Special Form Water Damage Exclusion					X	X
DF003 (05/06)	Reduction in Coverage When Vacant or Unoccupied	X	X			X	
D1V00 (10/10)	Vacant Unit-Owners Endorsement (Mandatory when Vacant Condominium is chosen)				X		
71884 (02/12)	Permitted Vacancy Clause				X		
71908 (02/10)	Construction Cost Index Endorsement					X	X
71881 (07/93)	Windstorm or Hail Exclusion (Mandatory in areas served by the SC Wind and Hail Underwriting Association)	X	X	X	X	X	X
72539 (12/06)	Log Building Endorsement	X	X	X		X	X
73339 (07/02)	Condemnation Endorsement	X	X	X	X	X	X
MVA39 (01/08)	Mitigation Verification Affidavit (Territory 63, 64 & 65)	X	X	X	X	X	X
MVC39 (01/08)	Mitigation Verification Certification (Territory 63, 64 & 65)	X	X	X	X	X	X
PDW39 (01/08)	Premium Discount Site Built (Territory 63, 64 & 65)	X	X	X	X	X	X
S1P00 (09/05)	1% Named Windstorm Deductible (Territories 60)	X	X	X	X	X	X
S5P00 (09/05)	5% Named Windstorm Deductible (Territories 62 - 65)	X	X	X	X	X	X
SDA39 (06/07)	Dwelling Property Special Provisions - South Carolina	X	X	X	X	X	X
SDC00 (03/03)	Dwelling Property Basic Form Criminal Acts Exclusion	X	X	X	X		
SD504 (12/07)	Dwelling Property Special Form Water Damage Special Limit					X	X
SDY00 (02/08)	Dwelling Property Cap on Losses From Certified Acts of Terrorism		X			X	
<b>OPTIONAL ENDORSEMENTS</b>							
71884 (02/12)	Permitted Vacancy Clause	X	X	X			
72670 (05/11)	Full Repair Cost Endorsement	X	X	X	X		
72677 (02/06)	Additional Living Expense	X					
72900 (05/06)	Fair Rental Value	X	X	X		X	X
73187 (02/08)	Roof Exclusion	X	X	X			
DB500 (03/09)	Equipment Breakdown Enhanced Endorsement (\$500 Deductible)	X	X	X	X	X	X
DBR00 (02/12)	Builders Risk Renovation and/or New Construction Coverage				X		
DF001 (02/12)	Residence Burglary	X	X	X	X	X	X
DPB00 (06/08)	Structure Endorsement			X			
DPY00 (10/10)	Agreed Value Modified Functional Cost Loss Settlement					X	X
D3884 (11/09)	Permitted Vacancy Clause (Special Form)					X	X
S3D00 (12/09)	Identity Recovery	X		X			X
SDA00 (09/00)	Windstorm and Hail Buy-Back for Antennas	X	X	X	X		
SDO00 (04/05)	Actual Cash Value Loss Settlement					X	X
SDS00 (09/10)	Water Backup and Sump Discharge or Overflow					X	X
SD800 (03/07)	Dwelling Property Other Structures Exclusion	X	X	X	X	X	X
SFR00 (10/05)	Dwelling Property Special Form Personal Property Replacement Cost					X	X
<b>PERSONAL LIABILITY - MANDATORY ENDORSEMENTS</b>							
71476 (05/99)	Personal Liability Total Pollution Exclusion	X					
73183 (05/06)	Special Limit for Animal Liability	X					
73184 (05/99)	Business, Commercial or Farming Enterprise Exclusion	X					
73185 (05/99)	Home Day Care Exclusion	X					
73186 (03/00)	Personal Liability Lead Contamination Exclusion	X					
DLB00 (02/00)	Assault and Battery Exclusion	X					
DLE00 (03/00)	Punitive or Exemplary Damages Exclusion	X					
S2005 (07/88)	Comprehensive Personal Liability Policy	X					
SLA39 (10/05)	Personal Liability Special Provisions - South Carolina	X					
SLM00 (06/02)	Personal Liability Mold Exclusions	X					
SLS00 (08/06)	Personal Liability Swimming Pool Slide and Diving Board Exclusion	X					
<b>PERSONAL LIABILITY - OPTIONAL ENDORSEMENTS</b>							
73182 (05/99)	Animal Liability Exclusion	X					

# FORMS LISTING (For Reference Only) - continued

Form Number	Title	DP-1				DP-3	
		O	R	S	V	R	S
<b>PREMISES LIABILITY - MANDATORY ENDORSEMENTS</b>							
71503 (12/03)	Premises Liability Endorsement		X	X	X	X	X
73253 (03/00)	Premises Liability Lead Poisoning Exclusion		X	X	X	X	X
PLM00 (04/02)	Premises Liability Mold Exclusion		X	X	X	X	X
PLS00 (08/06)	Premises Liability Swimming Pool & Diving Board Exclusion		X	X	X	X	X
PLY00 (02/08)	Premises Liability Cap on Losses from Certified Acts of Terrorism		X			X	
<b>PREMISES LIABILITY - OPTIONAL ENDORSEMENTS</b>							
PLA00 (01/11)	Premises Liability Additional Insured Property Manager		X	X	X	X	X

# HOW TO REACH US WHEN YOU NEED US

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## REPORT A CLAIM:

- Online:** In modernLINK, under the Quotes and Policies tab click the Claims link.
- Phone:** 1-800-375-2075
- Fax:** Varies by state. Check the list on modernLINK.
- Mail:** American Modern Insurance Group, Inc.  
Attn: Claims Processing  
PO Box 5323  
Cincinnati, OH 45201-5323

## BILLING OR POLICY QUESTION:

- Phone:** 1-800-543-2644  
Monday to Friday, 8 a.m. to 7 p.m. Eastern

## modernLINK SUPPORT:

- Hours:** Monday to Friday, 7 a.m. to midnight Eastern  
Saturday and Sunday, 8 a.m. to 9 p.m.
- Help:** Talk to your office's modernLINK Profile Administrator
- Click the Help link at the upper right of the modernLINK screen.
- Systems Support: 1-866-527-9583 or [systemsupport@amig.com](mailto:systemsupport@amig.com)  
Monday to Friday, 8 a.m. to 6 p.m. Eastern  
After hours support handled by voicemail return call.

## BINDING RESTRICTIONS:

Check modernLINK for current binding restrictions.

## ORDER SALES MATERIALS:

Go online to [marketingcenter.amig.com](http://marketingcenter.amig.com) (no www in the address)



# AMERICAN MODERN SELECT INSURANCE COMPANY

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