

# QUANTUM HOME

## Arizona Homeowners New Business Eligibility Guidelines

The following guidelines will assist you in identifying risks that are eligible for our QUANTUM HOME program. These guidelines will not be applied in any manner that conflicts with the insurance laws or regulations of the State. **Submit referrals prior to binding.**

**All risks meeting the eligibility criteria outlined below are to be written in Eligibility Program A.**

### I. A RISK IS NOT ELIGIBLE IF IT INVOLVES ANY OF THE FOLLOWING:

- A. Has more than 4 losses in the past 5 years, or more than 3 in the past 3 years, (includes non-serial numbered catastrophe losses and serial numbered catastrophe losses, but excludes closed without payment losses). Note: If any prior structural loss is at the risk address, the condition causing the loss must have been repaired.
- B. An animal or pet that is vicious or has previously bitten or injured, or if any occupant has a dog of the breed shown: Akita, Alaskan Malamute, American Staffordshire Terrier, Bullmastiff, Chow Chow, Doberman Pinscher, Great Dane, Pit Bull, Presa Canario, Rottweiler, Siberian Husky, Staffordshire Bull Terrier, Any Wolf Hybrid or any mix of these breeds.
- C. Liability exposures involving any attractive nuisance type exposure including, but not limited to, unfenced in-ground swimming pools, skateboard ramps, bicycle jumps, etc.
- D. Is subject to landslide, mudslide or brushfire.
- E. Is a mobile or manufactured home.
- F. Dwelling risks having \$1,000,000 or greater Coverage A with no monitored central station fire and burglar alarm system.
- G. Is over 15 road miles to the first responding fire department, unless risk is a house with Coverage A of \$1,000,000 or more and then it must be within 7 road miles of the first responding fire department.
- H. Condominium risks having \$500,000 or greater Personal Property (Coverage C) and Building (Coverage A) combined with no monitored central station fire and burglar alarm system.
- I. Tenant risks having \$500,000 or greater Personal Property (Coverage C) and Additions and Alterations coverage combined with no monitored central station fire and burglar alarm system.
- J. Is vacant, unoccupied, or for sale.
- K. Is a log home if the ISO protection class at the risk is 9 or 10, or the first responding fire department is over 5 miles from the risk.
- L. Contains a wood stove, coal stove, or pellet stove as an alternate heat source unless the stove has been professionally installed or has been approved by the local fire department or building inspector.
- M. Is a dwelling subject to flood or wavewash (Flood Zones V and A) unless the risk is covered by a Flood Policy up to the Coverage A and C limit, or the FEMA maximums of \$250,000 Coverage A and \$100,000 Coverage C, whichever is less.

### II. CONDITION OF DWELLING/CONDOMINIUM:

- A. The dwelling and all major systems (plumbing, heating, electrical, roof) must be in good condition and have no unrepaired conditions or any uncorrected fire or building code violations. If the dwelling is more than 25 years old, the Modernization Section of the ACORD Homeowners application must be completed. All dwellings are subject to inspection.

Modernization Requirements:

- Roof must have been replaced within the past 25 years (except tile roofs or similar “lifetime” roof materials);
- Oil furnace/burner cannot be older than 25 years or gas furnace/burner cannot be older than 35 years; and
- Electrical must have circuit breakers in whole or in part.

B. Heating must be a central heating system or thermostatically controlled electric heating system. If the central heating system includes a wood or coal burning furnace as the primary heat source, the dwelling must have a backup oil or gas central heating system or thermostatically controlled electric heating system. (Note: A converted coal furnace, kerosene heater, electric space heater or wood/coal/pellet stove cannot be the primary source of heat). All wood, pellet, coal stoves require completion of the Supplemental Heating Questionnaire. These stoves must be professionally installed, or approved by the local fire department or building inspector.

C. Dwellings must be insured to 100% of Replacement Cost using costs associated with actual year built, i.e. homes built prior to 1930 must use “Pre-1930” costs. Pre-1940 homes using “Standard” replacement costs to determine Coverage A replacement cost are acceptable only when the Functional Replacement Cost Coverage is included on the policy.

**III. RISKS INVOLVING THE FOLLOWING MUST BE REFERRED TO AN UNDERWRITER:**

A. Risks with 2 or more fire losses, or 2 or more theft losses, or 2 or more water losses, or 2 or more liability losses within the past 5 years.

B. Is located out of state, unless a prior agreement exists between the company and the agency. If the agent has appropriate non-resident licenses, the risk may be submitted unbound for consideration.

C. Business conducted out of home which involves client traffic on the premises.

D. Contains a converted coal furnace, kerosene heater, or electric space heater..

E. Farming/ranching operations.

F. Home under construction.

G. Dwelling with Coverage A of \$1,000,000 or more which is an ISO protection class 9 or 10 or where the distance to the fire hydrant is greater than 1000 feet.

H. Dwellings that are listed on the State or National Historic Home Registry.

I. Secondary or seasonal homes with Coverage A of \$500,000 or more with no monitored central station fire and burglar alarm system.

J. Number of months rented is greater than 6 months.

K. Risks involving the following values will be referred to underwriting:

1. Dwelling – Coverage A is \$1,000,000 or more
2. Condominium – Coverage A and C combined is \$500,000 or more
3. Tenant – Coverage C and Additions & Alterations combined is \$500,000 or more
4. Risks with total exposure of \$2,500,000 or more (Coverage A + B + C + D + Valuable Items + Personal Articles Floater)

L. Earthquake coverage is requested.

**TRAVELERS**  
**QUANTUM HOMEOWNERS PROGRAM - ARIZONA**  
**The Travelers Home and Marine Insurance Company**  
**Travelers Commercial Insurance Company**

**CHECKING SLIP**

**Effective Date: 01/20/08**

**TO: All Manual Holders:**

This distribution [5] provides changes to various rates and factors.

These rates and rules are applied to all new business processed and effective on or after **January 20, 2008** and for renewal business processed on or after **January 20, 2008** and effective on or after **March 10, 2008**.

<b>Applied to Section:</b>	<b>Remove:</b>	<b>Insert:</b>
Table of Contents	Table of Contents Page AZTC-4	Table of Contents Page AZTC-4
Rate Pages	Residence Variables - Rule 301.A.4-30-31 Endorsements and Other Property Forms - 301.A.6-14 Account Credit – Rule 301.A.7-1-5 Expense Components – Rule 301.A.10-1-18	Residence Variables - Rule 301.A.4-30-31 Endorsements and Other Property Forms - 301.A.6-14 Account Credit – Rule 301.A.7-1-5 Expense Components – Rule 301.A.10-1-18
Tier Components	Tier Components – pages 58-67, 73	Tier Components – pages 58-67, 73

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Personal Homeowners Manual – Arizona

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**PAGE CHECKLIST**

This Page Checklist furnishes a chronology of Manual change information reflected through **01/20/08**.

Page Number	DISTRIBUTION		Page Number	DISTRIBUTION	
	Number:	Date:		Number:	Date:
All	1	08/20/06			
Table of Contents Pages AZTC -1 through AZTC-4 Territory Pages AZTP 1-6 Rate Pages Territory Factors Rule 301.A.2-1 through 2- 24 Miscellaneous Rating Characteristics Rule 301.A.8-1 through 8- 2	2	4/22/07			
Table of Contents AZTC-4 Rate Pages Base Rates – Rule 301.A.1- 1 Residence Variables – Rule 301.A.4-29 Account Discount – Rule 301.A.7-1 and 7-2	3	7/13/07			
Table of Contents AZTC-4 Rate Pages Residence Variables – Rule 301.A.4-29	4	8/17/07			
Table of Contents Pages AZTC-4 Rate Pages Rule 301.A.4-30-31 Rule 301.A.6-14 Rule 301.A.7-1 - 5 Rule 301.A.10-1-18	5	01/20/08			
Tier Components Pages 58-67,73					

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**RULES AND RATES**

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**Table of Contents**

<b>Description</b>	<b>Page Number</b>	<b>Revision Date</b>
<b>Checking Slip</b>	AZCK-1	04/22/2007
<b>Page Checklist</b>	AZPK-1	04/22/2007
<b>Cover Page</b>	AZCV-1	08/20/2006
<b>Table of Contents</b>	AZTC-1	01/20/2008
<b>Rules Index</b>	AZIN-1	08/20/2006
100. Introduction	100.1	08/20/2006
101. Limits of Liability and Coverage Relationships	101.1	08/20/2006
102. Description of Coverages	102.1	08/20/2006
103. Mandatory Coverages	103.1	08/20/2006
104. Eligibility	104.1	08/20/2006
105. Secondary or Seasonal Residence Premises	105.1	08/20/2006
106. Protection Classification Codes and Information	106.1	08/20/2006
107. Single and Separate Building Definitions	107.1	08/20/2006
201. Policy Period	201.1	08/20/2006
202. Changes or Cancellations	202.1	08/20/2006
203. Manual Premium Revisions	203.1	08/20/2006
204. Multiple Company Insurance	204.1	08/20/2006
206. Transfer or Assignment	206.1	08/20/2006
207. Waiver of Premium	207.1	08/20/2006
208. Whole Dollar Premium	208.1	08/20/2006
210. Amendatory Endorsements	210.1	08/20/2006
211. Additional Interest	211.1	08/20/2006
301. Premium Calculation	301.1	08/20/2006
302. Functional Replacement Cost Loss Settlement	302.1	08/20/2006
303. Modified Loss Settlement	303.1	08/20/2006
400. Construction Type	400.1	08/20/2006
401. Coverage A Limit (HO-3)/Coverage C Limit (HO-4 and HO-6)	401.1	08/20/2006
402. Occupancy Type	402.1	08/20/2006
403. Protection Devices (Fire and Theft)	403.1	08/20/2006
404. Age of Home	404.1	08/20/2006
405. Deductibles	405.1	08/20/2006
406. Secondary or Seasonal Residences	406.1	08/20/2006
407. Months Unoccupied (Secondary or Seasonal Residences)	407.1	08/20/2006
408. Wood, Coal, and Pellet Stoves on Residence Premises	408.1	08/20/2006
409. Log Homes	409.1	08/20/2006
410. Roof Type	410.1	08/20/2006

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**TRAVELERS**  
**HOMEOWNERS PROGRAM - ARIZONA**  
**The Travelers Home and Marine Insurance Company**  
**Quantum Home<sup>SM</sup>**  
**Table of Contents**

<b>Description</b>	<b>Page Number</b>	<b>Revision Date</b>
415. Loss Surcharge	415.1	08/20/2006
416. Loss Free Discount	416.1	08/20/2006
417. Home Buyer Discount	417.1	08/20/2006
419. Years at Residence	419.1	08/20/2006
420. Age of Insured	420.1	08/20/2006
425. Account Discount	425.1	08/20/2006
426. Company Deviation	426.1	08/20/2006
429. Miles to Fire Department	429.1	08/20/2006
501. Building Additions and Alterations Other Residences	501.1	08/20/2006
502. Building Additions and Alterations Increased Limits	502.1	08/20/2006
503. Business Property - Increased Limits	503.1	08/20/2006
504. Credit Card, Electronic Funds Transfer Card or Access Device, Forgery and Counterfeit Money	504.1	08/20/2006
505. Earthquake Coverage	505.1	08/20/2006
507. Unit Owner's Coverage A Dwelling - Basic Limits and Increased Limits	507.1	08/20/2006
508. Unit Owner's - Units Regularly Rented to Others	508.1	08/20/2006
510. Permitted Incidental Occupancies Residence Premises	510.1	08/20/2006
511. Loss Assessment Coverage	511.1	08/20/2006
512. Loss of Use - Increased Limits/ Decreased Limits (HO-6)	512.1	08/20/2006
513. Ordinance or Law – Increased Amount of Coverage	513.1	08/20/2006
514. Other Structures - Increased Limits	514.1	08/20/2006
515. Other Structures On The Residence Premises Rented To Others	515.1	08/20/2006
516. Personal Property	516.1	08/20/2006
517. Special Limits of Liability – Increased Limits	517.1	08/20/2006
518. Personal Property – Increased Limits – Other Residences	518.1	08/20/2006
519. Special Personal Property Coverage	519.1	08/20/2006
520. Valuable Items Plus	520.1	08/20/2006
521. Rental to Other – Theft Coverage	521.1	08/20/2006
522. ACV Loss Settlement Windstorm Or Hail Losses To Roof Surfacing	522.1	08/20/2006
523. Additional Replacement Cost Protection	523.1	08/20/2006
524. Replacement Cost Loss Settlement for Certain Nonbuilding Structures	524.1	08/20/2006
525. Water Back – Up and Sump Discharge or Overflow	525.1	08/20/2006
526. Assisted Living Care Coverage	526.1	08/20/2006

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Personal Homeowners Manual – Arizona

**TRAVELERS**  
**HOMEOWNERS PROGRAM - ARIZONA**  
**The Travelers Home and Marine Insurance Company**  
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**Table of Contents**

<b>Description</b>	<b>Page Number</b>	<b>Revision Date</b>
527. Other Members of a Named Insured's Household	527.1	08/20/2006
528. Motorized Golf Cart Coverage	528.1	08/20/2006
529. Residence Held in Trust	529.1	08/20/2006
530. Additional Insured – Student Living Away From The Residence Premises	530.1	08/20/2006
532. Personal Property Replacement Cost Loss Settlement	532.1	08/20/2006
534. Watercraft Hull Coverage	534.1	08/20/2006
535. Enhanced Home Package (EHP)	535.1	08/20/2006
536. Dwelling Under Construction	536.1	08/20/2006
537. Identity Fraud Expense Coverage	537.1	08/20/2006
601. Residence Premises – Basic and Increased Limits/ Other Exposures – Basic Limits	601.1	08/20/2006
602. Increased Medical Payments to Others (Coverage F) Limits	602.1	08/20/2006
603. Other Insured Locations Occupied by the Insured	603.1	08/20/2006
604. Residence Employees	604.1	08/20/2006
605. Additional Residence Rented to Others	605.1	08/20/2006
606. Other Structures Rented to Others	606.1	08/20/2006
608. Unit Owners Rental To Others	608.1	08/20/2006
609. Permitted Incidental Occupancies-Residence Premises and Other Residences	609.1	08/20/2006
610. Business Pursuits	610.1	08/20/2006
611. Personal Injury	611.1	08/20/2006
612. Outboard Motors and Watercraft	612.1	08/20/2006
613. Owned Snowmobiles	613.1	08/20/2006
614. Incidental Farming	614.1	08/20/2006
617. Personal Liability Umbrella Supplement - PLUS	617.1	08/20/2006
701. Expense Allocation	701.1	08/20/2006
702. Rating Territories	702.1	08/20/2006
<b>Policy Forms and Endorsements</b>	Refer to Policy Forms and Endorsements Link	
<b>Territory Pages</b>	AZTP 1-6	04/22/2007

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Personal Homeowners Manual – Arizona

**TRAVELERS**  
**HOMEOWNERS PROGRAM - ARIZONA**  
**The Travelers Home and Marine Insurance Company**  
**Quantum Home<sup>SM</sup>**  
**Table of Contents**

<b>Arizona Rate Pages</b>	<b>Page Number</b>	<b>Revision Date</b>
Base Rates	Rule 301.A.1-1	07/13/2007
Territory Factors	Rule 301.A.2-1 through 2-24	04/22/2007
Tier Factors	Rule 301.A.3-1 through 3-4	08/20/2006
Residence Variables	Rule 301.A.4-1 through 4-37	01/20/2008
Household Variables	Rule 301.A.5-1 through 5-28	08/20/2006
Endorsements and Other Property Forms	Rule 301.A.6-1 through 6-14	01/20/2008
Account Discount	Rule 301.A.7-1 through 7-5	01/20/2008
Miscellaneous Rating Characteristics	Rule 301.A.8-1 through 8-2	04/22/2007
Expense Components	Rule 301.A.10-1 through 10-23	01/20/2008
 <b>Arizona Tier Components</b>		
Tier Components	Tier 1 - 137	01/20/2008

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Personal Homeowners Manual – Arizona

**TRAVELERS**  
**HOMEOWNERS PROGRAM - ARIZONA (02)**  
**The Travelers Home and Marine Insurance Company**  
**Quantum Home<sup>sm</sup>**

**INDEX**

<b>Description</b>	<b>Page No.</b>	<b>Rule Number</b>
<b>A.</b>		
Account Discount	425.1	425
ACV Loss Settlement Windstorm Or Hail Losses To Roof Surfacing	522.1	522
Addition Insured – Student Living Away From The Residence Premises	530.1	530
Additional Interest	211.1	211
Additional Replacement Cost Protection	523.1	523
Additional Residence Rented to Others	605.1	605
Age of Insured	420.1	420
Age of Home	404.1	404
Amendatory Endorsements	210.1	210
Assisted Living Care Coverage	526.1	526
<b>B.</b>		
Building Additions and Alterations Increased Limits	502.1	502
Building Additions and Alterations Other Residence	501.1	501
Business Property – Increased Limits	503.1	503
Business Pursuits	610.1	610
<b>C.</b>		
Changes or Cancellations	202.1	202
Company Deviation	426.1	426
Construction Type	400.1	400
Coverage A Limit (HO-3)/ Coverage C Limit (HO-4 and HO-6)	401.1	401
Credit Card, Electronic Funds Transfer Card or Access Device, Forgery and Counterfeit Money	504.1	504
<b>D.</b>		
Deductibles	405.1	405
Description of Coverages	102.1	102
Dwelling Under Construction	536.1	536
<b>E.</b>		
Earthquake Coverage	505.1	505
Eligibility :	104.1	104
Condominiums		104
Cooperatives		104
Co-Owners Occupants		104
Dwellings In Course of Construction		104

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Personal Homeowners Manual – Arizona

Description	Page No.	Rule Number
<b>E. continued</b>		
Farm Property	104.1	104
Non-Occupant Joint Owner		104
Life Estate Arrangement		104
Mobile or Trailer Homes or their Contents		104
Permitted Incidental Occupancies		104
Seasonal Dwellings		104
Enhanced Home Package (EHP)	535.1	535
Expense Allocation	701.1	701
<b>F.</b>		
Functional Replacement Cost Loss Settlement	302.1	302
<b>H.</b>		
Home Buyer Discount	417.1	417
<b>I.</b>		
Identity Fraud Expense Coverage	537.1	537
Incidental Farming	614.1	614
Increased Medical Payments to Others (Coverage F) Limits	602.1	602
Introduction	100.1	100
<b>L.</b>		
Limits of Liability and Coverage Relationships	101.1	101
Log Homes	409.1	409
Loss Assessment Coverage	511.1	511
Loss Free Discount	416.1	416
Loss Surcharge	415.1	415
Loss of Use - Increased Limits/ Decreased Limits (HO-6)	512.1	512

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Personal Homeowners Manual – Arizona

Description	Page No.	Rule Number
<b>M.</b>		
Mandatory Coverages	103.1	103
Manual Premium Revisions	203.1	203
Miles to Fire Department	429.1	429
Modified Loss Settlement	303.1	303
Months Unoccupied (Secondary or Seasonal Residences)	407.1	407
Motorized Golf Cart Coverage	528.1	528
Multiple Company Insurance	204.1	204
<b>O.</b>		
Occupancy Type	402.1	402
Ordinance or Law – Increased Amount of Coverage	513.1	513
Other Insured Locations Occupied by the Insured	603.1	603
Other Members of a Named Insured Household	527.1	527
Other Structures – Increased Limit	514.1	514
Other Structures On The Residence Premises Rented To Others	515.1	515
Other Structures Rented to Others	606.1	606
Outboard Motors and Watercraft	612.1	612
Owned Snowmobiles	613.1	613
<b>P.</b>		
Permitted Incidental Occupancies Residence Premises	510.1	510
Permitted Incidental Occupancies - Residence Premises and Other Residences	609.1	609
Personal Injury	611.1	611
Personal Liability Umbrella Supplement (PLUS)	617.1	617
Personal Property	516.1	516
Personal Property: - Increased Limits –Other Residence	518.1	518
Personal Property Replacement Cost Loss Settlement	532.1	532
Premium Calculation	301.1	301
Protection Classification Codes and Information	106.1	106
Protection Devices (Fire and Theft)	403.1	403
Policy Period	201.1	201
<b>R.</b>		
Rating Territories	702.1	702
Rental to Other – Theft Coverage	521.1	521
Replacement Cost Loss Settlement for Certain Nonbuilding Structures	524.1	524
Residence Employees	604.1	604
Residence Held in Trust	529.1	529
Residence Premises – Basic and Increased Limits/ Other Exposures – Basic Limits	601.1	601
Roof Type	410.1	410

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Personal Homeowners Manual – Arizona

Description	Page No.	Rule Number
<b>S.</b>		
Secondary or Seasonal Residence Premises	105.1	105
Secondary or Seasonal Residences	406.1	406
Special Limits of Liability – Increased Limits	517.1	517
Special Personal Property Coverage	519.1	519
Single and Separate Building Definitions	107.1	107
<b>T.</b>		
Transfer or Assignment	206.1	206
<b>U.</b>		
Unit Owners Coverage A Dwelling – Basic Limits and Increased Limits	507.1	507
Unit Owner’s Rental To Others	608.1	608
Unit Owner’s - Units Regularly Rented to Others	508.1	508
<b>V.</b>		
Valuable Items Plus	520.1	520
<b>W.</b>		
Waiver of Premium	207.1	207
Water Back – Up and Sump Discharge or Overflow	525.1	525
Watercraft Hull Coverage	534.1	534
Whole Dollar Premium	208.1	208
Wood, Coal and Pellet Stove on Residence Premises	408.1	408
<b>Y.</b>		
Years at Residence	419.1	419

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Personal Homeowners Manual – Arizona

**GENERAL RULES**

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**Rule 100 Introduction**

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The Homeowners Policy Program provides property and liability coverages using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of the Homeowners Policy.

The rules, rates, forms and endorsements of Travelers for each coverage shall govern in all cases not specifically provided for in this manual.

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**Rule 101 Limits of Liability and Coverage Relationships**


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

<b>SECTION I - PROPERTY COVERAGES</b>	<b>FORM HO-3</b>	<b>FORM HO-4</b>	<b>FORM HO-6</b>
Coverage A - Dwelling Minimum Limit	No Minimum Limit	--	\$5,000 Refer to Rule 507
Coverage B - Other Structures	10% of Limit on Dwelling	--	--
Coverage C - Personal Property	50% of Limit on Dwelling (1 or 2 family dwelling) 30% of Limit on Dwelling (3 family dwelling) 25% of Limit on Dwelling (4 family dwelling)	No Minimum Limit	No Minimum Limit
Coverage D - Loss of Use	30% of Limit on Dwelling (1 or 2 family dwellings) 20% of Limit on Dwelling (3 or 4 family dwellings)	30% of Limit on Coverage C	50% of Limit on Coverage C

<b>SECTION II - LIABILITY COVERAGES</b>	<b>ALL FORMS</b>
Coverage E - Personal Liability	\$100,000 Each Occurrence
Coverage F - Medical Payments to Others	\$1,000 Each Person

- B. All Forms.** The limit of liability for Coverage C and Coverage D of Section I, and E and F of Section II, may be increased.
- C. Form HO-3.** The limit of liability for Coverage B may be increased. The new total limit of liability for Coverage B will be shown in the Declarations.
- D. Form HO-6.** The limit of liability for Coverage A of Section I may be increased.

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**Rule 102 Description of Coverages**


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

**A. Section I - Property Coverages - Perils Insured Against**

## 1. Coverage A - Dwelling

Coverage B - Other Structures

Coverage C - Personal Property

Coverage D - Loss of Use

 2. **FORM HO-3 SPECIAL FORM.** Covers Dwelling, Other Structures, and Loss of Use against risks of physical loss, with certain exceptions. Personal Property is covered against loss by:

Fire or lightning	Theft
Windstorm or hail	Falling objects
Explosion	Weight of ice, snow or sleet
Riot or civil commotion	Accidental discharge or overflow of water or steam
Aircraft	Sudden and accidental tearing apart of a heating system or appliance
Vehicles	Freezing
Smoke	Sudden and accidental damage from electrical current
Vandalism or malicious mischief	Volcanic eruption

 3. **FORM HO-4 CONTENTS BROAD FORM.** Covers Personal Property, including the insured's interests in building additions and alterations, and Loss of Use against loss by the same perils as provided in **FORM HO-3 SPECIAL FORM** for Personal Property.

 4. **FORM HO-6 CONDOMINIUM UNIT OWNERS FORM.** Covers building additions and alterations of the unit and Loss of Use against risks of physical loss, with certain exceptions. Personal Property is covered for the same perils as provided in **FORM HO-3 SPECIAL FORM**.

**B. Section II - Liability Coverages - All Forms**

 1. **Coverage E - Personal Liability**

Covers payment on behalf of any insured of all sums for which the insured becomes legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

 2. **Coverage F - Medical Payments to Others**

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

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**Rule 103 Mandatory Coverages**

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

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**Rule 104 Eligibility**

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**A. All Forms except HO-4 and HO-6.** A Homeowners policy may be issued:

1. To the owner-occupant(s) of a 1, 2, 3, or 4 family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs **E.** and **G.** below). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2, 3, or 4 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered by adding the seller as an Additional Insured; or
3. To the occupant of a dwelling under a written life estate arrangement. The owner's interest in the building and premises liability may be covered by adding the owner as an Additional Insured; or
4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.
5. When a 2, 3, or 4 family dwelling is occupied by co-owners, each occupying a separate apartment, a Homeowners policy providing building coverage may be issued to only one of the co-owners occupying the dwelling. The policy may be amended to cover the interest of the other co-owner(s) in the building and for premises liability by adding them as an Additional Insured. A separate Homeowners policy **Form HO-4** may be issued to the second, third, and fourth co-owner(s) occupying the other apartment(s) in the dwelling.
6. Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal or secondary dwelling.

It is permissible to extend the Homeowners policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability by naming the joint owner as an Additional Insured in the Declarations.

**B. Form HO-4** A Homeowners Policy may be issued to:

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

**C. Form HO-6**

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

**D. Manufactured Home, Mobile Home, Trailer Home or House Trailer**

A Homeowners Policy shall not be issued to cover any manufactured home, mobile home, trailer home, or house trailer or their contents.

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**Rule 104 Eligibility (continued)**

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**E. Permitted Business Occupancies**

Certain business occupancies are permitted, provided:

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

When the business is conducted on the residence premises, refer to Rule 510. for Section I Coverage and Rule 609. for Section II Coverage. When it is conducted from an Other Residence only Section II Coverage is available. Refer to Rule 609.

**F. Farm Property**

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of Travelers. In no event will a policy be issued to cover any property situated on premises used for farming purposes other than incidental farming. Refer to Rule 614.

**G. Residence Held in Trust (All Forms except HO-4)**

A Homeowners Policy may be issued in the name of a trust and trustee(s) when legal title to a 1, 2, 3, 4 family dwelling or a condominium unit is held solely by the trust and:

1. The trustee and/or beneficiary or grantor regularly reside in the residence held in trust; and
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph **E**.

Refer to Rule 529. for the rule of application.

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**Rule 105 Secondary or Seasonal Residence Premises**

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**A. Same or Other State:**

Homeowners coverage on a secondary or seasonal residence premises shall be provided under a separate policy. All the rules of this Manual will apply. However, when Travelers provides coverage on both the primary and secondary residence premises, coverage under Section II is not mandatory in the policy covering the secondary residence premises. The policy number of the primary policy will be shown on the Declarations page.

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

**B. Premium:**

- a. When Section II coverage is extended from the primary policy, the base premium for the secondary residence premises is reduced.
- b. Apply the charge for an additional insured location shown on the Declarations of the policy covering the primary residence premises. See Rule 603.

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**Rule 106 Protection Classification Codes and Information**


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**A. Codes:**

Refer to Rule 301.A.4 in the rate section of this manual for Protection Class information.

**B. Protection Information:**

The Protection Class listings in the Public Protection Classification Manual apply to risks insured under Homeowners Program policies.

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 (for example, 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	*
b. 5 road miles or less with hydrant beyond 1,000 feet	9
c. Over 5 road miles	10
* First Protection Class (for example, 6/9.... use Class 6)	

~~3.3.~~ All other properties are Class 10.

~~4.4.~~ Proprietary (Subscription) Type Fire Departments are indicated by a footnote in the Public Protection Classification Manual. Class 10 applies to properties which are not subscribers. When other than Class 10 is applied, attach Endorsement HO-285, Fire Department Clause. Proof of subscription must be provided.

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**Rule 107 Single and Separate Building Definitions**

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**A. Single Building:**

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

**B. Separate Building:**

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings (e.g. rowhouse, townhouse) which are separated by:
  - a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
  - b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the inner-side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

See Rule 402.

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**Rule 108 Reserved For Future Use**

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**Rule 201 Policy Period**

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The Homeowners policy is written for a period of one year and may be continued for successive policy periods based upon the premiums, forms and endorsements then in effect for Travelers.

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**Rule 202 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 cancelled.
- B.** If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

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**Rule 203 Manual Premium Revisions**

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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.

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**Rule 204 Multiple Company Insurance**

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The dividing of Sections I and II coverages by two or more insurance companies is not permitted.

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**Rule 205 Reserved For Future Use**

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**Rule 206 Transfer or Assignment**

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**Subject to the consent of Travelers**, to all the rules of this Manual and to any necessary adjustment of premium, a Homeowners policy may be endorsed to effect:

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

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**Rule 207 Waiver of Premium**

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When a policy is endorsed subsequent to the inception date, any additional or return premium of \$1.99 or less may be waived.

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**Rule 208 Whole Dollar Premium**

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All premiums shown on the policy and endorsements will be rounded to the nearest whole dollar. A premium of fifty cents (\$0.50) or more will be rounded to the next higher whole dollar.

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**Rule 209 Reserved For Future Use**

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**Rule 210 Amendatory Endorsements**

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**HO-300 AZ** SPECIAL PROVISIONS - ARIZONA: This endorsement will be attached to all Homeowners policies.

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**Rule 211 Additional Interest**

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- A. Introduction: All Forms.** In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When such persons or organizations are not shown in the Declarations as Additional Insureds, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **C**. Such persons or organizations are entitled to receive notification if the policy is canceled or non-renewed by Travelers.
- B. Premium:** No additional charge is made for use of this endorsement.
- C. Endorsement:** Use Endorsement **HO-310** Additional Interest Residence Premises

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**Rule 301 Premium Calculation**

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- A.** Premiums for all forms are developed from statewide premium for certain, individual perils. Each base premium is then adjusted by factors, resulting in a premium for that peril that reflects the characteristics of the specific exposure. After all factors have been applied, all peril premiums are added together to produce the combined peril premium. The Total Policy Premium is determined by adding any premiums for additional coverages and endorsements that are not rated in the peril premiums to the combined peril premium.
1. From the base premium table, select the base premium for each peril as shown for the applicable company in which the policy is to be issued.
  2. From the Territorial Relativity Table, select factors for each peril in the applicable company.
  3. From the Tier Factor Table, select factors for each peril in the applicable company.
  4. From the Rule 301.A.4 rate pages, select factors for each peril based on the construction, protection class and other risk characteristics, as applicable. See Rules 400-410.
  5. From the Rule 301.A.5 rate pages, select factors for each peril based on the appropriate risk characteristics, as applicable. See Rules 415-420.
  6. From the tables for Rule 301.A.6 rate tables, select factors for each peril for all coverages and increased limits that apply.
  7. From the Rule 301.A.7 rate pages, select factors for each peril based on the combination of other policies in force for the applicant/insured with Travelers. See Rule 425.
  8. From the Rule 301.A.8 rate pages, select factors for each peril from each of the following tables:
    - a. Company Deviation (see Rule 426.)
    - b. Miles to Fire Department (see Rule 429.)
  9. Multiply each peril base rate by the peril specific factors that were selected in steps 2. through 8. above.
  10. Calculate the Peril Expense Allocation based on the company, form and expected policy longevity using the tables in Rule 301.A.10 rate pages. Distribute the total expense allocation amount to the individual perils based on the ratio of each individual peril premium to the combined premium for all perils. See Rule 701.
  11. Add the results from step 10. to the results in step 9. for each peril.
  12. Multiply the results in step 11. by the factor for each peril in the Transition Modification Factor Table. Round the result for each peril to the nearest cent. (Round \$.005 or more up to the next whole cent.)
  13. Add the results in step 12. for all perils and round to the nearest dollar. (Round \$ .50 or more up to the next whole dollar.) The result is the combined peril premium.
  14. Multiply the premium for each non-peril rated additional coverage by the Transition Modification Factor and round to the nearest whole dollar.
  15. Add the rounded premiums for all additional coverages in step 14. to the result in step 13. The result is the Total Policy Premium.

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**Rule 301 Premium Calculation (continued)**


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**B. INTERPOLATION (desired limit is lower than highest limit in table):****1. Procedure** - For each peril:

- a. From the Limit Factor Table, determine the next higher limit and the next lower limit than the desired limit.
- b. Subtract the lower limit from the desired limit and divide this result by the difference between the higher limit and the lower limit.
- c. Determine the Factors for each of the higher and lower limits.
- d. Subtract the lower limit's Factor from the higher limit's Factor and multiply by the result from **b**.
- e. Add the result from **d**. to the lower limit's Factor. The result is the Factor for each peril for the desired limit.

**2. Example.** (The Limit Table Factors in the following example are for illustration only and are not necessarily the factors shown in the Limit Table Factors in this Manual.)

Assume the desired limit is \$203,000, and that this limit is not in the Limit Factor Table. Also, assume that the next lower limit in the table is \$200,000 and the next higher limit is \$205,000. The Factors for these limits for a particular peril are 2.837 and 2.937, respectively.

Following the steps above,

- a. The next lower and next higher limits are \$200,000 and \$205,000
- b.  $(\$203,000 - \$200,000) / (\$205,000 - \$200,000) = \$3,000 / \$5,000 = 0.60$
- c. The Factors for a certain peril are 2.837 for \$200,000 and 2.937 for \$205,000
- d.  $(2.937 - 2.837) \times 0.60 = 0.06$
- e.  $0.06 + 2.837 = 2.897 =$  Limit Factor for \$203,000.

**C. EXTRAPOLATION (desired limit is higher than highest limit in table):****1. Procedure** - For each peril:

- a. Subtract the highest limit in the Limit Factor Table from the desired limit and divide by \$5,000.
- b. Multiply the result by the factor for "Each Additional \$5,000".
- c. Add the product to the Factor for the highest limit shown. The result is the Factor for the desired limit.

**2. Example.** (The Limit Table Factors in the following example are for illustration only and are not necessarily the factors shown in the Limit Table Factors in this Manual.)

Assume the desired limit is \$460,000, and that the highest limit in the Limit Table is \$300,000. Also assume that the Limit Table Factor for \$300,000 is 2.968, and that the factor for "Each Additional \$5,000" is 0.053.

Following the steps above,

- a.  $(\$460,000 - \$300,000) / \$5,000 = 32.0$
- b.  $32.0 \times 0.053 = 1.696$
- c.  $1.696 + 2.968 = 4.664 =$  Limit Factor for \$460,000.

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**Rule 302 Functional Replacement Cost Loss Settlement**

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- A. Introduction:** All Forms except **HO-4** and **HO-6**. The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis.
- B. Premium:**  
For each peril, multiply the peril premium, as developed in rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the rate section of this manual.
- C. Endorsement:** Use Endorsement **HO-825** Functional Replacement Cost Loss Settlement. This endorsement may not be written with **HO-530** Modified Loss Settlement or **HO-420** Additional Replacement Cost Protection.

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**Rule 303 Modified Loss Settlement**

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**A. Introduction:** All Forms except **HO-4** and **HO-6**. This endorsement revises the loss settlement provisions for buildings under Coverages A and B to repair or replace with commonly available materials and methods. If this option is selected, the Coverage A limit of liability representing from 40% to 70% is to be shown on the Declarations.

**B. Premium:**

To develop the premium for the Coverage A limit of liability shown in the policy Declarations:

- a. To determine the premium for the Coverage A limit of liability, see the Optional Coverages and Increased Limits table in the rate section of this manual.
- b. For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual

**C. Endorsement:**

Use Endorsement **HO-530** - Modified Loss Settlement.

This endorsement may not be written with endorsement **HO-825** Functional Replacement Cost Loss Settlement or **HO-420** Additional Replacement Cost Protection or **HO-85** Enhanced Home Package.

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**Rule 400 Construction Type**

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**A. Frame:** Exterior wall of wood or other combustible construction, including wood ironclad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

Frame < 10% Brick

Frame with Aluminum Siding

10-33% Brick Veneer

34-66% Brick Veneer

Log Home

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

> 67% Brick Veneer

Brick Stone

Fire Resistive

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 401 Coverage A Limit (HO-3)/Coverage C Limit (HO-4 and HO-6)**

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Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 402 Occupancy Type**

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This measures the number of living units within the insured property's firewall unit. See Rule 107 for definition of single and separate buildings.

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 403 Protection Devices (Fire and Theft)**

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The following are considered protection devices:

**Fire**

- Fire Extinguisher
- Smoke Alarm
- Local Fire Alarm
- Central Fire Alarm
- Direct Fire Alarm
- Partial Sprinkler System
- Full Sprinkler System

**Theft**

- Dead Bolts
- Local Burglar Alarm
- Central Burglar Alarm
- Direct Burglar Alarm
- 24-Hour Security Guard

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

---

**Rule 404 Age of Home**

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This is the age of the structure in years. The formula for determining the age of home is:

$$\text{(Effective Policy Year - Year Built) + 1 = Age of Home}$$

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 405 Deductibles**

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All Travelers Homeowners policies are subject to a base deductible applicable to loss from all Section I perils except Earthquake.

A separate deductible provision applies to Earthquake Coverage. Refer to Rule 505 for the applicable deductible provision.

**A.A.** Base Deductible. All Forms. The Homeowners policy may be written subject to a \$500 base deductible applicable to any loss under Section I of this policy. Peril base rates by form shown in this Manual take this deductible into consideration.

**B.B.** Optional Deductible Amounts. All Forms.

1. \$250 (future conversion), \$1,000, \$1,500, \$2,500, \$3,500, \$5,000, \$10,000, \$25,000, \$50,000.

2. The homeowners policy may be revised to include any deductible option listed above.

Use the HO-3 deductible factor by Coverage A table or the HO-4/HO-6 deductible factor by Coverage C table to determine the appropriate factor.

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**Rule 406 Secondary or Seasonal Residences**

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**Secondary Home** applies when the insured owns a primary residence elsewhere.

**Seasonal Home** is a secondary home used as a residence only during certain parts of the year and is unoccupied the remainder of the year.

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 407 Months Unoccupied (Secondary or Seasonal Residences)**

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**Months Unoccupied** applies to both secondary and seasonal homes and indicates the total number of months per year that the home is unoccupied.

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 408 Wood, Coal, and Pellet Stoves on Residence Premises**

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Wood, Coal, and Pellet Stoves include stoves located in the main dwelling as well as located in other structures on the residence premises. This includes fireplace inserts unless the installation is fully contained within the fireplace hearth.

Requests for coverage should include a completed Wood/Coal/Pellet Burning Stove Questionnaire and a photo of the alternate/supplemental heating device.

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 409 Log Homes**

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A **Log Home** is constructed with logs that have not been milled into conventional lumber. This does not include a standard wood frame home that is sided with logs to give the appearance of a true log home.

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 410 Roof Type**

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The following roof types are applicable:

Asphalt Shingle or Fiberglass Shingle

Clay Tile, or Slate/Concrete Tile

Wood Shake/Wood Shingle

Architectural Shingle

Flat - Tar and Gravel, Flat-Membrane, Flat-Foam Composite

Corrugated Steel - Metal

Other

Refer to the Rule 301.A.4 table in the Rate section of the manual for applicable factors.

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**Rule 411 Reserved For Future Use**

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**Rule 412 Reserved For Future Use**

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**Rule 413 Reserved For Future Use**

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**Rule 414 Reserved For Future Use**

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**Rule 415 Loss Surcharge**

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If a policyholder has one or more chargeable losses in the last three years including at any previous residences, for which the Travelers or any other company has an incurred loss of \$500 or more (excluding the deductible), a surcharge is applied to the policy at New Business and/or Renewal. The three year experience period will be calculated from the current new business effective date and/or renewal process date.

The surcharge factor will be calculated by:

- ~~A.A.~~ Selecting a factor from the loss surcharge factor table in the rate section of the manual for each Peril based on the prospect's loss history.
- ~~B.B.~~ Selecting the factor from the Additional Loss Table in the rate section of the manual for each loss in excess of 2, by type of loss, and by each Peril, then multiplying the factor by the number of losses in excess of 2.
- ~~C.C.~~ Adding the results from A and B to obtain the loss surcharge factor for each Peril.

The following types of losses are **not** considered chargeable:

- Designated Serial Numbered Catastrophe
- Closed without Payment
- Valuable Items Plus
- Personal Articles Floater
- Personal Liability Umbrella of Security Policy (PLUS/ PLUS Supplement)
- Identity Fraud Coverage
- Workers Compensation losses

Refer to Rule 301, Premium Calculation.

Refer to the Rule 301.A.5 table in the Rate section of the manual for applicable factors.

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**Rule 416 Loss Free Discount**

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An insured is eligible for a policy discount if they are loss free in the applicable experience period. The three year experience period will be calculated from the current new business effective date and/or renewal process date. An insured is considered loss free if the aggregate of all of their losses in the applicable experience period is less than \$500. This amount does not include any deductible payments the insured may have made.

The following types of losses are **not** considered chargeable:

- Designated Catastrophic Serial Numbered
- Closed without Payment
- Valuable Items Plus
- Personal Articles Floater
- Personal Liability Umbrella of Security Policy (PLUS/ PLUS Supplement)
- Identity Fraud Coverage
- Workers Compensation losses

Refer to the Rule 301.A.5 table in the Rate section for the applicable factors.

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**Rule 417 Home Buyer Discount**

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**FORM HO-3 and HO-6.** The Home Buyer Discount is applicable to any Homeowners policy if the following criteria are met:

**New Business** - The home must be purchased on the effective date of the new policy or during the twelve months prior to the effective date of the new policy.

**Renewal** - The policyholder must have received the discount when the new policy was issued and must have maintained continuous coverage under a Travelers Homeowners policy.

The age of the dwelling is calculated by using the following formula:

$$\text{(Year of the Policy Effective Date - Year Built) + 1 = Age of Dwelling}$$

Factors will vary based on age of home at new business.

Refer to the Rule 301.A.5 table in the Rate section of the manual for applicable factors.

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**Rule 418 Reserved For Future Use**

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**Rule 419 Years at Residence**

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This is the number of years that the insured has resided at the insured location. The formula for determining Years at Residence is:

$$\text{(Policy Effective Year - Purchase Year of Home) + 1 = Years at Residence}$$

Refer to the Rule 301.A.5 table in the Rate section of the manual for applicable factors.

---

**Rule 420 Age of Insured**

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Age of Insured is calculated from the date of birth of the primary named insured. The formula for determining Age of Insured is:

$$\text{(Policy Effective Year - Year of Birth) + 1 = Age of Insured}$$

Refer to the Rule 301.A.5 table in the Rate section of the manual for applicable factors.

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**Rule 421 Reserved For Future Use**

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**Rule 422 Reserved For Future Use**

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**Rule 423 Reserved For Future Use**

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**Rule 424 Reserved For Future Use**

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**Rule 425 Account Discount**

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When a Homeowners policy is written in conjunction with one or more other Travelers Personal Lines policies, a premium discount may be granted.

Eligible Policies for Account Discount:

Automobile

Homesaver

Personal Articles Floater (PAF)

PLUS/PLUS Supplement

Boat/Yacht

Travelers Serviced Flood (FEMA)

Refer to the Account Discount Table in the Rate section of this manual for applicable factors by Peril.

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**Rule 426 Company Deviation**

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**A. General**

All rules and rates of this manual are applicable to the following companies:

The Travelers Home and Marine Insurance Company (THM)

Travelers Commercial Insurance Company (ACC)

Refer to the Rule 301.A.8 table in the Rate section of the manual for applicable factors.

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**Rule 427 Reserved For Future Use**

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**Rule 428 Reserved For Future Use**

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**Rule 429 Miles to Fire Department**

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This rating factor applies to all forms. Determine the number of road miles from the insured location to the first responding fire department.

Refer to the Rule 301.A.8 table in the Rate section of the manual for applicable factors.

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**Rule 501 Building Additions and Alterations - Other Residences**

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- A. Introduction: All Forms.** The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.
- B. Premium:** \$5 per \$1,000.
- C. Endorsement:** Use Endorsement HO-49 - Building Additions and Alterations Other Residence.

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**Rule 502 Building Additions and Alterations Increased Limits**

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- A. Introduction: Form HO-4 only.** The limit of liability of 10% of Coverage C may be increased.
- B. Premium:** \$5 per \$1,000.
- C.** The new total limit of liability for BUILDING ADDITIONS AND ALTERATIONS will be shown in the Declarations.

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**Rule 503 Business Property Increased Limits**

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**A. Introduction: All Forms. On - Premises:**

1. The \$5,000 limit of liability for business property on the residence premises may be increased to \$10,000.
2. The limit of liability in excess of \$5,000 does not apply to:
  - a. Business property in storage or held as a sample or for sale or delivery after sale.
  - b. Business property pertaining to a business actually conducted on the residence premises.
3. The Property described in Paragraphs **2.a.** and **2.b.** are covered under the following optional endorsements:
  - a. Permitted Incidental Occupancies

**Off-Premises:** When the on-premises limit is increased, the off-premises limit of \$1,500 is automatically increased, at no additional charge, to \$2,500.

**B. Premium:** \$10**C. Endorsement:** Use Endorsement **HO-146** - Business Property - Increased Limits

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**Rule 504 Credit Card, Electronic Funds Transfer Card or Access Device, Forgery and Counterfeit Money**

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**A. Introduction: All Forms:** The limit of liability provided under the policy may be increased.

**B. Premium:** The additional premium is shown below.

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

**C.** The new total limit of liability for CREDIT CARD will be shown in the Declarations.

**Rule 505 Earthquake Coverage**

**A. Introduction:** 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. If this coverage is endorsed to the policy, the loss assessment coverage for earthquake limit must be equal to the loss assessment coverage limit (see Rule 511). This endorsement may not be added to the policy if the commercial master insurance policy for the association does not cover earthquake.

**B. Premium:**

The premium for each \$1,000 of insurance is developed as follows from the rates below which reflect a base deductible of 10%. The deductible is subject to a minimum of \$500.

**Frame**

Forms	Earthquake Zones		Applied to:
	4	5	
HO-3	\$1.53	\$1.13	Coverage A Limit of Liability
HO-4 or HO-6	\$0.99	\$0.77	Coverage C Limit of Liability
HO-3	\$0.99	\$0.77	Coverage C Increased Limits Amount of Increase Only
<b>All Forms</b> - Other Structure or Coverage D Increased or Added Limit	\$0.99	\$0.77	Amount Increased or Added

**All Other**

Forms	Earthquake Zones		Applied to:
	4	5	
HO-3	\$7.16	\$5.31	Coverage A Limit of Liability
HO-4 or HO-6	\$4.05	\$3.06	Coverage C Limit of Liability
HO-3	\$4.05	\$3.06	Coverage C Increased Limits Amount of Increase Only
<b>All Forms</b> - Other Structure or Coverage D Increased or Added Limit	\$5.09	\$3.78	Amount Increased or Added

**C. Earthquake Zone Definitions:**

**Zone 4 consists of:** 2,3, 5, 7, 10-12, 14,15, 17-31, 34, 37, 40-44, 46, 48-53, 56, 57, 59, 63, 65, 67, 69, 71, 72, 77, 79, 81, 86, 93, 100, 105-107, 116, 121.

**Zone 5 consists of:** Remainder of State.

**Note: Exterior Masonry Veneer-** When covered, show MASONRY VENEER COVERED in the Declarations and rate as "All Other". If not covered, show MASONRY VENEER EXCLUDED in the Declarations and rate as Frame.

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**Rule 505 Earthquake Coverage (continued)**


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**D. Endorsement:** Use endorsement **HO-54** Earthquake.

The earthquake charges do not apply to the automatic increase of limits to Coverage C provided by Personal Property Replacement Cost loss settlement and Enhanced Home Package endorsements.

**E. Loss Assessment for Earthquake Coverage**

The policy may be endorsed to cover loss assessment resulting from loss by earthquake. The limit of liability is based on the unit owner's proportionate interest in the total value of all collectively owned buildings and structures of the condominium corporation or association of property owners.

The following rates per \$1,000 of insurance apply:

Earthquake Zone	Frame	All Other
4	\$2.80	\$8.40
5	\$2.00	\$6.00

If this coverage is endorsed to the policy, the loss assessment coverage for earthquake limit must be equal to the loss assessment coverage limit (see Rule 511).

This endorsement may not be added to the policy if the commercial master insurance policy for the association does not cover earthquake.

**Endorsement-** Use Endorsement **HO-36** - Loss Assessment Coverage for Earthquake

**F. Premium for Higher Deductibles**

Multiply the Earthquake premium developed in Part B. of this rule by the appropriate Premium Discount Factor below.

Earthquake Deductible Percentage	Premium Discount Factors	
	Frame	All Other
10% (Base)	.00	.00
15%	.11	.05
20%	.22	.11
25%	.33	.16

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**Rule 506 Reserved For Future Use**

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**Rule 507 Unit Owner's Coverage A Dwelling Basic and Increased Limits**

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**A. Introduction: Form HO-6 only.** The policy automatically provides a basic Coverage **A** limit of \$5,000.

**B. Increased Limits:**

The basic limit may be increased in increments of \$1,000.

**C. Premium:**

The premium is developed based on the additional limit of insurance in thousands. For each peril, multiply the factor from the Condominium Increased Coverage A Limit table in the Rate Section by the number of thousands desired. Add 1.000 to each factor and multiply the result by each peril Base Rate.

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**Rule 508 Unit Owner's - Units Regularly Rented to Others**

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**A. Introduction: Form HO-6 Only. Coverage C and Section II Liability**

1. The policy may be endorsed to cover loss by theft and Section II Liability when the residence premises is regularly rented or held for rental to others less than 12 months per year.
2. The Coverage C minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.

**B. Premium:** For each peril, multiply the base premium by the factors located in the endorsements and other property form table in the rate section of this manual.

**C. UNIT OWNERS RENTAL** will be shown in the Declarations.

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**Rule 509 Reserved For Future Use**

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**Rule 510 Permitted Incidental Occupancies – Residence Premises**

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**A. Introduction: All Forms.** The policy may be endorsed to provide expanded Section I Coverage and limited Section II Coverage on a permitted incidental occupancy in the dwelling or in another structure on the residence premises.

**B. Permitted Incidental Occupancies:**

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

**C. Other Structures:**

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

**D. Personal Property:**

If increased Coverage **C** limits are desired, see Rule 516.

**E. Premium Computation:**

1. **Section I**

- a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
- b. If the permitted incidental occupancy is located in another structure, charge the amount per \$1,000 of specific insurance on the structure.
- c. Refer to Rule 514. for rate to be charged.

2. **Section II**

Refer to Rule 609. to develop the premium for the increased Coverages **E** and **F** exposure.

**F. Endorsement:**

Use Endorsement **HO-42** Permitted Incidental Occupancies (Residence Premises) for Sections I and II Coverage.

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**Rule 511 Loss Assessment Coverage**


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**Residence Premises**

- A. Introduction: All Forms.** The policy may be endorsed to provide a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:
- a. Either Section I Additional Coverage or Section II Additional Coverage; or
  - b. Both Section I and Section II Additional Coverages.

**B. Premium:**

Increased Limit:	Increased by:	Premium
\$2,000	\$1,000	\$3
\$5,000	\$4,000	\$6
\$10,000	\$9,000	\$9
Each additional \$5,000 up to \$50,000		\$1

- C. Endorsement:** Use Endorsement **HO-35** - Loss Assessment Coverage

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**Rule 512 Loss of Use - Increased Limits/Decreased Limits (HO-6)**


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**A. Introduction.** The limit of liability for Coverage D may be increased.

**Increased Limits**

Form	Premium Per \$1000 Additional
HO-3	\$3
HO-4	\$5
HO-6*	\$5

\* Maximum increase allowed on an HO-6 is 60% of Coverage C.

**B. Decreased Limits: Form HO-6**

The limit of liability for Coverage D may be decreased below 50% (minimum reduction 30%) of Coverage C. Use the premium discounts shown below:

Reduction	Discount
First 10% (50% to 40%)	\$1 per \$1,000
Next 10% (40% to 30%)	\$1 per \$2,000

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**Rule 513 Ordinance or Law - Increased Amount of Coverage**

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- A. Introduction: HO-3 only.** The policy may be endorsed to increase the basic Ordinance or Law Coverage amount.
- B. Premium:**  
For each peril, multiply the base premium by the appropriate factor located in the Endorsements and other Property Forms section of the rate manual.
- C. Endorsement:**  
Show the new total percentage amount of coverage for ORDINANCE OR LAW in the Declarations.

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**Rule 514 Other Structures - Increased Limits**

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**A. Introduction:** The limit of liability for Coverage B may be increased when additional insurance needs to be written on a specific structure(s).

**B. Premium:**

Increased Limits: \$3 per \$1,000

**C. Exception:** The limit of liability for Coverage B should not be increased on a blanket basis if the structure is used for business or rented to others.

If the structure is rented to others, See Rule 515 for endorsement information.

Show the increased limit for Coverage B - Other Structures in the Declarations.

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**Rule 515 Other Structures On The Residence Premises Rented To Others**

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- A. Introduction: Forms HO-3 and HO-6.** The policy may be endorsed to provides coverage for an other structure on the residence premises rented to others for dwelling purposes.
- B. Premium:**  
Use the sum of:
- a.** A rate of \$5 per \$1,000 of insurance, and applying separately to each structure; and
  - b.** The premium for the increased Coverages **E** and **F** exposure, as developed from the Section II rules of this Manual.
- C.** The limit of liability for STRUCTURES RENTED TO OTHERS will be shown in the Declarations.

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**Rule 516 Personal Property**

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**A. Introduction:** The limit of liability for Coverage **C** may be increased.

**B. Premium:**

**1. All Forms Except HO-4 and HO-6**

Increased Coverage Limit: Charge \$1 per \$1,000 of insurance.

With Endorsement **HO-290** - Personal Property Replacement Cost Loss Settlement, the cost of increasing Coverage C from 50% to 70% is included in the endorsement premium.

**2. Forms HO-4 And HO-6:** Multiply the Peril Base Rates by the appropriate factors for the desired limit from the Coverage C Limit table in the Rate Section.

---

**Rule 517 Special Limits of Liability- Increased Limits**


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**A. Introduction: All Forms.** The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown.

**B. Premium**

Special Limits

Personal Property		Limit in Form	Maximum Limit Allowed	Premium per \$100	Premium per \$500
1.	Jewelry, Watches and Furs	\$1,500*	\$6,500*		\$9
2.	Money	200	1,000	\$6	
3.	Securities	1,500	3,000	\$4	
4.	Silverware, Goldware and Pewterware	2,500	10,000**		\$3
5.	Firearms	2,500	6,500***	\$3	
6.	Electronic Apparatus in or upon a motor vehicle	1,500	6,000***	\$4	
7.	Tapes, records, discs or other media in or upon a motor vehicle	\$250	\$500		\$12****
* Not exceeding \$1,000 for any one article					
** Increase must be in increments of \$500					
*** Increase must be in increments of \$100					
**** Rate for increase from \$250 to \$500 maximum limit					

Show the new total limit for each increased category in the Declarations.

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**Rule 518 Personal Property-Increased Limits - Other Residences**

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- A. Introduction: All Forms.** The policy may be endorsed to provide increased limits for personal property at other residences.
- B. Premium:** Charge \$7 per \$1,000 of insurance.
- C. Endorsement:** Use Endorsement **HO-50** Increased Limits On Personal Property In Other Residences.

---

**Rule 519 Special Personal Property Coverage**

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- A. Introduction: Forms HO-3 and HO-6.** Coverage may be provided against risks of direct physical loss for Coverage C - Personal Property.
- B. Premium:** For each peril, multiply the base premium by the appropriate factors located in the Endorsements and other Policy Forms table in the Rate section of this manual.
- C. Endorsement:**     **HO-3** Use Endorsement **HO-15** - Special Personal Property Coverage  
                          **HO-6** Use Endorsement **HO-615** - Special Personal Property Coverage

**Rule 520 Valuable Items Plus**

**A. Introduction: All Forms.** Optional blanket coverage on jewelry, silverware, fine arts, furs, cameras, firearms, computers, musical instruments, and china/crystal is provided under Section I by endorsement.

This coverage supersedes any coverage provided by the basic policy form.

No deductible applies to the coverage provided by this endorsement.

Breakage coverage is provided for fine arts, but the first \$100 of damage is excluded.

**B. Premium:****Coverage Limits and Premiums**

Class of Property		Minimum Limit	Maximum Limit	Rate per \$100
a.	Jewelry	\$1,000	\$50,000 *	\$1.25
b.	Furs	\$1,000	\$20,000	\$0.40
c.	Silverware	\$1,000	\$20,000	\$0.40
d.	Fine Arts	\$1,000	\$50,000 *	\$0.25
e.	Cameras	\$1,000	\$10,000	\$1.65
f.	Firearms	\$1,000	\$10,000	\$2.00
g.	Computers	\$1,000	\$10,000	\$0.75
h.	Musical Instruments	\$500	\$10,000	\$0.45
i.	China and Crystal	\$500	\$10,000	\$2.00

**\* NOTE- The most Travelers will pay in any one loss to any one item in any class of covered property is \$20,000**

**C. Endorsement:** Use Endorsement **HO-61B** - Valuable Items Plus

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**Rule 521 Rental to Others – Theft Coverage**

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- A. Introduction: All Forms.** 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.
- B. Premium:** The additional premium is \$15.
- C. Endorsement:** Use Endorsement **HO-80** - Residence Rental Theft.

This endorsement cannot be written with **HO-84** Enhanced Home Package - Form **HO-4**, **HO-86** - Enhanced Home Package - Form **HO-6**, **HO-15** Special Personal Property Coverage, or **HO-615** - Special Personal Property Coverage **HO-6**.

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**Rule 522 ACV Loss Settlement Windstorm Or Hail Losses To Roof Surfacing**

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**A. Introduction:**

All Forms Except **HO-4**

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

**B. Coverage Description:**

All Forms except **HO-4**. The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm or Hail.

**C. Premium Determination:**

For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual.

**D. Endorsement:**

Use Endorsement **HO-493** - Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing.

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**Rule 523 Additional Replacement Cost Protection**

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- A. All Forms except HO-4 and HO-6.** The policy may be endorsed to provide additional insurance for Coverage A only when loss to the dwelling exceeds the limit of liability shown in the Declarations.
- B. Insurance to Value Requirements:**
1. Coverage A must be a minimum of 100% of replacement cost.
  2. Coverage A must be upgraded annually, at renewal, in accordance with the Inflation Coverage provisions in the Additional Coverage section of the policy.
- C. Ineligible Risks:**
- a. Policies with **HO-530** Modified Loss Settlement
  - b. Dwellings in the course of construction unless the policy is endorsed with **HO-102** Dwelling Under Construction
- D. Coverage Options:**
- 25% amount of Coverage A.
- 50% amount of Coverage A.
- E. Premium:** For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages table located in the Rate section of this manual.
- F. Endorsement:** Use Endorsement **HO-420** - Additional Replacement Cost Protection. This endorsement may not be written with **HO-530** Modified Loss Settlement or **HO-825** Functional Replacement Cost Loss Settlement or **HO-85** Enhanced Home Package.

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**Rule 524 Replacement Cost Loss Settlement for Certain Nonbuilding Structures**

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**A. Introduction: Form HO-3 only.** The policy may be endorsed to provide repair or replacement cost loss settlement on the following non-building structures that are located on the residence premises:

1. Reinforced masonry walls;
2. Metal or fiberglass fences;
3. Fences made of plastic/resin materials such as polyvinylchloride;
4. Patios, walks (not made of wood or wood products) and;
5. Driveways.

**B. Premium:** \$20

**C. Endorsement:**

Use Endorsement **HO-443-** Replacement Cost Loss Settlement For Non-Building Structures On the Residence Premises

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**Rule 525 Water Back-Up and Sump Discharge or Overflow**

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**A. Coverage Description:**

**All Forms.** The policy may be endorsed to provide property coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

**B. Premium:**

Multiply base premium by the factor from the Optional Coverages and Endorsements table located in the rate section of this manual.

**C. Endorsement:** Use Endorsement **HO-208** Water Back Up and Sump Discharge or Overflow. This coverage is included in endorsements **HO-84** Enhanced Home Package- **HO-4**, **HO-85** Enhanced Home Package- **HO-3**, and **HO-86** Enhanced Home Package- **HO-6** and may not be written when any of those endorsements are part of the policy.

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**Rule 526 Assisted Living Care Coverage**


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**A. Introduction: All Forms.** The policy may be endorsed to provide coverage to a person regularly residing in an Assisted Living Care facility, provided such person:

- a. Is related to an insured by blood, marriage or adoption; and
- b. Is not a member of that insured's household.

An assisted living care facility is a facility that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities. It is **not** a hospice, prison or rehabilitation facility.

The endorsement provides the following basic limits of coverage:

- a. \$10,000 for Coverage **C** - Personal Property with limitations ranging from \$100 to \$500 for certain items of property;
- b. \$6,000, at \$500 per month, for Additional Living Expenses; and
- c. \$100,000 for Coverage **E** - Personal Liability.

**B. Premium:** The total premium is the sum of:

1. \$77 for each living care facility insured;
2. A rate of \$7 per \$1000 for Coverage C limits above the basic \$10,000;
3. The premium for the applicable Coverage E limit of liability from the table below.

Coverage E Limit	Premium
\$100,000	Included
\$200,000	\$3
\$300,000	\$4
\$500,000	\$6

**C. Endorsement:** Use Endorsement **HO-459** Assisted Living Care Coverage.

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**Rule 527 Other Members of A Named Insured's Household**


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**A. Introduction: All Forms.**

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

**B. Premium:**

Rate per person named in the schedule \$60 plus the premium for the applicable Coverage E and F limit of liability from the table below.

<b>Cov. E Limit</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F Limit</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	\$0	\$1	\$4	\$8	\$9	\$12

<b>Cov. E Limit</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F Limit</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	\$12	\$13	\$16	\$18	\$19	\$22

**C. Endorsement:** Use Endorsement **HO-458** Other Members Of Your Household.

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**Rule 528 Motorized Golf Cart Coverage**

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- A. All Forms:** The policy may be endorsed to provide coverage for physical loss to motorized golf carts, including related accessories, equipment and parts, owned by an insured.
- B. Eligibility:** To be eligible for coverage, the motorized golf cart shall be of the type designed to carry up to four people on a golf course for the purpose of playing golf and shall not have been built, or modified after manufacture, to exceed a speed of 25 m.p.h. on level ground.
- Read the endorsement for all conditions of coverage.
- C. Limit of Liability:** A \$5,000 limit of liability applies.
- D. Premium:** \$30 for all insured carts
- E. Endorsement:** Use Endorsement **HO-28** Motorized Golf Cart Coverage.

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**Rule 529 Residence Held in Trust**

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**A. Introduction:**

**ALL FORMS EXCEPT HO-4** A Homeowners policy may be issued in the name of both the trust and trustee when:

1. The residence held in trust is a 1, 2, 3, or 4 family dwelling or a condominium unit used exclusively for residential purposes, except as provided in Rule 104.G.;
2. Legal title to the dwelling or condominium unit is held solely by the trust;
3. The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
4. The trust and trustee are both shown as the named insured on the policy declarations, regardless of who resides in the residence held in trust.

**B. Other Persons Insured - Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust**

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:
  - a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should not be named in Endorsement **HO-543**; or
  - b. Is not related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement **HO-543** to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

This coverage may not be endorsed to secondary and seasonal locations.

2. If the trustee does not regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement **HO-543** whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

**C. Liability Coverage Explained**

1. Coverage E - Personal Liability and Coverage F - Medical Payments To Others is provided to the trust and trustee named insured who regularly resides on the residence premises. However, if the trustee named insured does not regularly reside on the residence premises, coverage for the trust and trustee is only provided for bodily injury or property damage arising out of the ownership, maintenance or use of the residence premises (premises liability).
2. Endorsement **HO-543** excludes:
  - a. Liability coverage for claims or suits for bodily injury or property damage arising out of any act or decision or failure to act or decide by the trustee named insured in administering the trust except as provided in Paragraph 1.; and
  - b. Liability coverage for bodily injury to all insureds covered under this policy, for example, the trustee named insured, the grantor or beneficiary of the trust who is named on the endorsement or any person acting on their behalf.

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**Rule 529 Residence Held in Trust (continued)****D. Premium:**

For basic limits rates:

## 1. Trustee

Applies whether or not the trustee resides on the residence premises: \$26

## 2. Beneficiary And/Or Grantor

## a. Beneficiary or grantor named in the endorsement; and

(1) Trustee resides on the residence premises: \$26

(2) Trustee does not reside on the residence premises. No additional charge.

## b. Beneficiary and grantor named in the endorsement; and

(1) Trustee resides on the residence premises: \$51

(2) Trustee does not reside on the residence premises: \$26

For increased limits:

<b>Cov. E Limit</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F Limit</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
Rule 1	26	27	30	30	31	34
2a.(1)	26	27	30	30	31	34
2b.(1)	51	52	55	59	60	63
2b.(2)	26	27	30	30	31	34

<b>Cov. E Limit</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F Limit</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
Rule 1	32	33	36	35	36	39
2a.(1)	32	33	36	35	36	39
2b.(1)	63	64	67	69	70	73
2b.(2)	32	33	36	35	36	39

**E. Endorsement**

Use Endorsement **HO-543** Residence Held In Trust.

**F. Additional Conditions**

The policy may not be endorsed or extended to insure:

- Under Section I, any other dwelling on the residence premises, or any other structure, on or away from the residence premises, unless legal title to that other dwelling or structure is held solely by the trust; or
- Under Section II, any location away from the residence premises unless legal title to that other location is held solely by the trust.

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**Rule 530 Additional Insured - Student Living Away From The Residence Premises**


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**A. Introduction: All Forms.** The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:

1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a resident relative.

The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school. For example, part time students or students older than 24.

**B. Premium:**

1. Section I and Section II Basic Limits: \$68 per location
2. Section II Increased Limits

Add to the basic limit Rate in Item 1. above:

**a. For Coverage E**

Increased Coverage E Limits	Rate
\$200,000	\$8
\$300,000	\$12
\$500,000	\$18

**b. For Coverage F**

Increased Coverage F Limits	Rate
\$2,000	\$1
\$5,000	\$4

**C. Endorsement:** Use Endorsement **HO-311** Additional Insured - Student Living Away From The Residence Premises.

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**Rule 531 Reserved For Future Use**

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**Rule 532 Personal Property Replacement Cost Loss Settlement**

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**A. Introduction: All Forms.** The policy may be endorsed to provide loss settlement on a Replacement Cost basis for property whether insured on a blanket or scheduled basis.

**1. All Forms Except HO-4 and HO-6:** Coverage C must be at least 50% of Coverage A.

**B. Premium Determination:** For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverage tables located in the Rate section of this manual.

**C. Endorsement:** Use Endorsement **HO-290** Personal Property Replacement Cost Loss Settlement.

This coverage is included in **HO-84** Enhanced Home package-**HO-4**, **HO-85** Enhanced Home Package-**HO-3**, and **HO-86** Enhanced Home Package- **HO-6**and may not be written when any of those endorsements are part of the policy.

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**Rule 533 Reserved For Future Use**

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**Rule 534 Watercraft Hull Coverage**


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**A. Introduction: All Forms.** Physical Damage coverage for owned watercraft, their furnishings, equipment and outboard motors may be provided on a non-specified peril basis.

**Eligibility:**

1. Only private pleasure or recreational use is eligible.
2. Mandatory \$250 deductible (policy deductible does not apply to this coverage).
3. Actual Cash Value loss payment.
4. Exposures consisting of outboard motors without watercraft are eligible.
5. Watercraft over 26 feet and jet-skis are not eligible.
6. Boats over 15 years old must be submitted to Travelers for binding coverage. A photograph of the boat is required.

**B. Premium:**

Amount of Insurance	Premium
\$2,500	\$50
\$5,000	\$100
\$7,500	\$150

**C. Endorsement:** Use Endorsement **HO-76** Watercraft Hull Coverage

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**Rule 535 Enhanced Home Package (EHP)**


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**A. Introduction**

The Enhanced Home Package endorsement increases certain Section I and Section II limits and includes limited additional replacement cost protection, personal property replacement cost, lock replacement coverage, reward coverage, water back up of sewers and drains, increased fire department service charge coverage, increased credit card coverage, additional loss assessment coverage, personal injury, increased damage to property of others, and broadened watercraft liability coverage.

**Form HO-3****Eligibility**

1. Coverage A must be a minimum of 100% of replacement cost.
2. Coverage A must be upgraded annually, at renewal, in accordance with the Inflation Protection Program.
3. EHP is not available with Modified Loss Settlement.
4. Occupancy: Primary residence only

**Ineligible Risks**

1. Dwelling in the course of construction.

**Note:** Dwelling in the course of construction are eligible for the Enhanced Home Package endorsement when **Endorsement HO-102**, Dwelling Under Construction Coverage, is on the policy.

**Premium**

For each peril, multiply the premium as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual.

**Use Endorsement HO-85- Enhanced Home Package****Form HO-4****Coverages**

EHP for **HO-4** policies includes all of the same coverage as for **HO-3** policies except:

1. Special Coverage for Personal Property is added
2. It does not include Additional Replacement Cost Protection

**Premium**

For each peril, multiply the premium as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual.

**Use Endorsement HO-84- Enhanced Home Package****Form HO-6****Coverages**

EHP for **HO-6** policies includes all of the same coverage as for **HO-3** policies except:

1. Special Coverage for Personal Property is added
2. It does not include Additional Replacement Cost Protection

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**Rule 535 Enhanced Home Package (EHP)**

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**Premium**

For each peril, multiply the premium as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual.

**Use Endorsement HO-86- Enhanced Home Package**

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**Rule 536 Dwelling Under Construction**

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**A. Introduction: All Forms Except HO-4 and HO-6.** A Homeowners policy may be endorsed to cover a new dwelling in the course of construction against loss caused by theft of building materials.

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

1. Until the property is occupied as a dwelling, or
2. Until twelve months following the inception date of this policy.

All other program eligibility applies.

**B. Premium:** Charge \$2 per \$5,000 of Coverage A limit. There will be no refund of premium if this endorsement is cancelled.

**Note:** Policy surcharges and discounts do not apply to the above fully earned premium.

**C. Endorsement:** Use Endorsement **HO-102** – Dwelling Under Construction Coverage.

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**Rule 537 Identity Fraud Expense Coverage**

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**A. Introduction: All Forms.** The policy may be endorsed to cover expenses incurred by the insured as a result of the fraudulent use of the insured's identity by a third party. In addition, coverage includes Resolution Services which provides the services of a consumer fraud specialist to assist the insured with communicating with credit reporting agencies and preparing other documentation and letters.

**B. Premium:** \$25.

**C. Endorsement:** Use Endorsement **HO-455** - Identity Fraud Expense Coverage

**Note:** No discounts apply to this coverage.

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**Rule 601 Residence Premises – Basic and Increased Limits/ Other Exposures - Basic Limits**

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**A. Residence Premises:**

1. Minimum limits of liability for Coverage E - Personal Liability and Coverage F - Medical Payments to others are shown in Rule 101. The premium for these limits is included in the peril base premium.
2. **All Forms.** The limit of liability for Coverage E - Liability in the base policy is \$100,000. This amount may be increased to \$200,000, \$300,000, or \$500,000.

**B. Other Exposures:**

1. There is an additional charge for Other Exposures listed on the following pages.
2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises unless otherwise indicated.
3. For increased limits for Other Exposures, see applicable rates in the following rules.
4. If increased limits are written, the same limits must apply to the Residence Premises unless otherwise stated.

**C. Premium:**

For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual.

This increased limit of liability will be shown on the Declarations page.

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**Rule 602 Increased Medical Payments to Others (Coverage F) Limits**

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- A. Introduction: All Forms.** The limit of liability for Coverage F – Medical Payments to Others in the base policy is \$1,000. This amount may be increased to \$2,000 or \$5,000.
- B. Other Exposures:**
1. There is an additional charge for Other Exposures listed on the following pages.
  2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises unless otherwise indicated.
  3. For increased limits for Other Exposures, see applicable rates in the following rules.
  4. If increased limits are written, the same limits must apply to the Residence Premises unless otherwise stated.
- C. Premium:** For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and Optional Coverages tables located in the Rate section of this manual.
- D.** This increased limit of liability will be shown on the declarations page.

---

**Rule 603 Other Insured Locations Occupied by the Insured**


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**A. Introduction:** Section II coverage may be provided on locations other than the residence premises where the insured resides but which are insured for Section I coverage under another insurance program.

**B.B. Premium:**

**Limit of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
1 or 2 Family	6	7	10	9	10	13
3 Family	8	9	14	12	14	18
4 Family	12	14	20	18	20	26

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
1 or 2 Family	10	11	14	12	15	16
3 Family	14	15	19	16	20	22
4 Family	20	22	28	24	30	32

Make the appropriate charge for each other insured location shown in the Declarations of the policy. This coverage may only be endorsed to policies written as a primary location.

---

**Rule 604 Residence Employees**


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**A. Introduction:** Charge for each employee in excess of two, other than employees whose time of employment is not more than half the customary full time, or to whom the Workers' Compensation exclusion applies as stated in Section II of the policy.

**B. Premium:**

**Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	5	6	9	6	7	10

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	7	8	11	9	12	13

**Rule 605 Additional Residence Rented to Others**

**A. Introduction:** Coverage may be provided when an additional residence is rented to others.

**B. Premium:** Refer to rates below.

**Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
1 Family	9	10	13	12	13	16
2 Family	12	13	16	15	16	19
3 Family	16	18	22	20	22	26
4 Family	18	20	24	22	24	29

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
1 Family	13	14	17	15	18	19
2 Family	16	17	20	18	21	22
3 Family	22	23	27	24	28	30
4 Family	24	26	30	27	32	33

**C.B. Endorsement:**

Show the description for **Additional Residence Rented to Others** in the Declarations

**D. Exception:** This coverage may only be endorsed to policies written as a primary location.

---

**Rule 606 Other Structures Rented to Others**


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**A. Introduction:** The policy may be endorsed to provide Section I and II coverage when a structure on the residence premises is rented to others for dwelling purposes.

**B. Premium:**

- A. Refer to Rule 515 for rating Section I coverage.  
 B. Section II Coverage rating below:

**Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
1 Family	9	10	13	12	13	16
2 Family	12	13	16	15	16	19
3 Family	16	18	22	20	22	26
4 Family	24	26	32	30	32	38

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
1 Family	13	14	17	15	18	19
2 Family	16	17	20	18	21	22
3 Family	22	23	27	24	28	30
4 Family	32	34	40	36	42	44

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**Rule 607 Reserved For Future Use**

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**Rule 608 Unit Owners Rental To Others**

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**A. Introduction:****H0-6**

The policy may be amended to cover loss by theft and Section II Liability when the residence premises is rented to others on a regular basis.

**B. Premium:**

For each peril, multiply the peril premium, as developed in Rule 301, by the applicable factors in the Endorsements and other Property Forms tables located in the Rate section of this manual.

**C. Endorsement:**

Show UNIT OWNERS RENTAL in the Declarations.

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**Rule 609 Permitted Incidental Occupancies - Residence Premises and Other Residences**


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**A. Introduction: All Forms.****Residence Premises**

When the insured maintains an office, private school or studio on the premises, the additional premium is calculated by adding the appropriate charge from the following table to the premium developed for any required increase in the Coverage C Limits of Liability. See Rule 510.

**Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	9	12	21	10	13	22

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	11	14	23	12	15	24

Use Endorsement **HO-42** - Permitted Incidental Occupancies Residence Premises

**B. Other Residence Premises Occupied By The Insured**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	12	13	16	14	15	18

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
	15	16	19	19	22	23

Use Endorsement **HO-43** - Permitted Incidental Occupancies Other Residence

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**Rule 610 Business Pursuits**


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**A. Introduction: All Forms.**

**Section II Coverages - Liability.** 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 is the owner or partner or maintains financial control of the business. Classify and apply a charge separately for each person insured.

**B. Classifications:**

1. **a. Clerical Office Employees:** defined as those employees whose duties are confined to keeping the books or records, conducting correspondence, or who are engaged wholly in office work where such books or records are kept or where such correspondence is conducted, having no other duty of any nature in or about the employer's premises. This classification applies only to persons who are employed exclusively in separate buildings or on separate floors or buildings or in departments on such floors which are separated from all other work places of the employer by structural partitions and within which no work is performed other than clerical office duties.
- b. Sales People, Collectors or Messengers:** "no installation," demonstration or servicing operations.
2. **Sales People, Collectors or Messengers:** "includes installation," demonstration or servicing operations.
3. **Teachers:** athletic, laboratory, Manual training, physical training, demonstration or servicing operations; excludes liability for corporal punishment of pupils.
4. **Teachers:** not otherwise classified, excludes liability for corporal punishment of pupils.

**Limits of Liability:**

Cov. E		\$100,000			\$200,000		
Cov. F		\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
<b>Classification</b>	1	3	4	7	4	5	8
	2	6	7	10	7	8	11
	3	10	11	14	11	12	15
	4	5	6	9	6	7	10

Cov. E		\$300,000			\$500,000		
Cov. F		\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
<b>Classification</b>	1	5	6	9	6	9	10
	2	8	9	12	9	12	13
	3	12	13	16	14	17	18
	4	7	8	11	8	10	12

**C. Endorsement:** Use endorsement **HO-71** - Business Pursuits.

---

**Rule 611 Personal Injury**


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**A. Introduction: All Forms.** The policy may be endorsed to provide coverage for personal injury to others such as false arrest, libel or invasion of privacy.

**B. Premium:** The premiums for this coverage are as indicated:

**Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>	<b>\$200,000</b>
	14	16

<b>Cov. E</b>	<b>\$300,000</b>	<b>\$500,000</b>
	18	20

**C. Endorsement:** Use endorsement **HO-82** - Personal Injury.

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**Rule 612 Outboard Motors and Watercraft**


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**A. Introduction.** Boats with the characteristics matching those included in the categories defined below are eligible for coverage under this program. Watercraft with jet propulsion systems, increased horsepower or more length cannot be written.

The premium applicable in the state in which the insured's residence premises is located will apply. This coverage may be endorsed to secondary and seasonal locations if Travelers writes the dwelling and liability coverage for this location and the insured principally operates the watercraft from that residence.

**Eligibility**

- 1.1. Only private pleasure or recreational use is eligible.
- 2.2. Exposures consisting of outboard motors without watercraft are ineligible.
- 3.3. Power boats over 26 feet and jet-skis are not eligible.
- 4.4. Boats over 15 years old must be submitted to Travelers for binding coverage. A photograph of the boat is required.
- 5.5. Maximum speed 50 miles per hour.

**B. Premium****Outboard Motors****Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>Up to 25 HP*</b>	Covered in Policy Form					

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>Up to 25 HP*</b>	Covered in Policy Form					

**Inboard, Inboard-Outdrive or Outboard Powered up to 15 feet****Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>HP* Up to 50</b>	21	24	31	29	32	39
<b>51 - 100</b>	35	38	45	43	46	53
<b>101 - 150</b>	50	53	60	58	61	68

**Rule 612 Outboard Motors and Watercraft (continued)****Inboard, Inboard-Outdrive or Outboard Powered up to 15 feet****Limits of Liability:**

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>HP* Up to 50</b>	33	36	43	39	42	49
<b>51 - 100</b>	47	50	57	53	55	63
<b>101 - 150</b>	62	65	72	68	71	78

**Inboard, Inboard - Out drive or Outboard Powered 15 feet to 26 feet****Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>HP* Up to 50</b>	32	35	42	40	43	50
<b>51 - 100</b>	47	50	57	55	58	65
<b>101 - 150</b>	61	64	71	69	72	79
<b>151 - 200</b>	76	79	86	84	86	94

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>HP* Up to 50</b>	44	47	54	50	53	60
<b>51 - 100</b>	59	62	69	65	68	75
<b>101 - 150</b>	73	76	83	79	82	89
<b>151 - 200</b>	88	91	98	94	96	104

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**Rule 612 Outboard Motors and Watercraft (continued)****Watercraft: Sailing Vessel with or without Auxiliary Power****Limits of Liability:**

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>Up to 26 feet</b>	Covered in Policy Form					

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>Up to 26 feet</b>	Covered in Policy Form					

<b>Cov. E</b>	<b>\$100,000</b>			<b>\$200,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>26 - 40 feet</b>	21	24	31	29	32	39

<b>Cov. E</b>	<b>\$300,000</b>			<b>\$500,000</b>		
<b>Cov. F</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$5,000</b>
<b>26 - 40 feet</b>	33	36	43	39	42	49

\* If two or more motors are regularly used together with any single, owned watercraft, the horsepower of each motor must be added to the total used for eligibility and rating purposes.

**C. Endorsement:** Use endorsement **HO-75** - Watercraft Liability.

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**Rule 613 Owned Snowmobiles**


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**A. Introduction: All Forms.** Each snowmobile owned by the named insured or any other insured who is a resident of a named insured's household must be declared. The premium charge will apply separately to each snowmobile.

**Eligibility:** Snowmobiles classified or rated by the manufacturer as "racing", "performance", or "high performance" are ineligible.

**B. Premium:** The minimum charge for each snowmobile for any period of coverage within a policy year is as indicated below for the respective limits of liability.

**Limits of Liability**

Cov. E	\$100,000			\$200,000			\$300,000			\$500,000		
Cov. F	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
Each snowmobile Annual Minimum Premium:	46	47	50	53	54	57	60	61	64	71	74	75

**C. Endorsement:** Use endorsement **HO-164** – Owned Snowmobiles.

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**Rule 614 Incidental Farming**


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**A. Introduction: All Forms.** The policy may be endorsed to provide coverage for the liability of the insured when farming is conducted on the residence premises and is incidental to the use of the premises as a dwelling, and the income derived from the farming 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.

The policy may also be endorsed to provide coverage when the residence premise is used for the sheltering and grazing of animals. However, coverage is not available if the residence premise is used for racing purposes.

**Eligibility:** All of the following criteria must be met:

1. The insured's occupation is other than farming,
2. The income from farming does not exceed 2% of the total annual income or \$2,500, whichever is less,
3. There are no farm employees,
4. There is no heavy farm machinery (e. g. combines, harvesters),
5. Farm rates/forms do not apply to the use of the outbuildings (e.g. barns, stables), and
6. There is no horse breeding, boarding, racing or riding instruction exposure.

**B. Premium:**

**Limits of Liability**

Cov. E	\$100,000			\$200,000			\$300,000			\$500,000		
Cov. F	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000	\$1,000	\$2,000	\$5,000
	23	24	27	27	28	31	31	32	35	39	42	43

**C. Endorsement:** Use endorsement **HO-72** - Incidental Farming Personal Liability.

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**Rule 615 Reserved For Future Use**

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**Rule 616 Reserved For Future Use**

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**Rule 617 Personal Liability Umbrella Supplement (PLUS)**

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**A. Introduction: All Forms.** The Personal Liability Umbrella Supplement - PLUS provides excess liability coverage which applies after the required Primary Insurance limits of liability are exhausted. Minimum limit of liability is \$1,000,000. Maximum limit of liability is \$5 million.

For eligibility, rules, and rates see the PLUS Manual.

Use Endorsement **58200** - Personal Liability Umbrella Supplement.

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**Rule 701 Expense Allocation**

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A portion of the premium for each peril covers allocable fixed expenses.

**A. Expense Components:** The expense allocation is made up of the following four parts:

1. Flat Fixed Expenses
2. New Business Report Costs
3. New Business Inspection Costs (HO-3 only)
4. Expected Policy Longevity

**B. Expense Allocation Calculation:**

1. Refer to the Fixed Expense table in the Rate Pages to determine the Flat Fixed Expense
2. Divide the New Business Report Costs by the Expected Policy Longevity factor
3. Divide the New Business Inspection Costs (if applicable) by the Expected Policy Longevity factor
4. Determine the Total Expense Allocation by adding the Flat Fixed Expense obtained in B.1. to the New Business Report Cost obtained in B.2. to the New Business Inspection Costs obtained in B.3.

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**Rule 702 Rating Territories**

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The Territory Pages contain the definition and code for each territory.

1. Policies are rated based on the territory for the insured location.
2. ZIP code boundaries are occasionally changed by the USPS. For example, a new ZIP code may be created. If the ZIP code for an address has changed since the ZIP code boundary definition, the territory will be determined based on the boundary originally defined for the address using the ZIP code definitions. For an existing policy whose ZIP code is redefined by the USPS, the territory assigned will not change, unless the Territory Pages have been revised.
3. ZIP codes defined by the USPS as postal boxes or ZIP codes that can not be identified will be classified as territory code 0000.