



**AMERICAN FAMILY HOME
INSURANCE COMPANY**

(070)

New Business 01-01-07

**GRAND GENERAL INSURANCE
AGENCY, INC.**

3030 Ivanrest Ave. SW, Suite B
Grandville, MI 49418

1-800-869-2022 • (616) 531-5150

Fax: (888) 767-0826 or (616) 559-6001

Specialty Homeowner (HO-10)

PROGRAM COVERAGES & FEATURES

TARGET MARKET

The **Specialty Homeowners Program** is designed for the owner occupied or seasonal home that is not eligible for coverage in the Standard Market due to age, claims, value or size of dwelling. All homeowner submittals must be:

- **owner occupied or seasonal.**
- in average to above average condition, showing pride of ownership, and subject to no unusual hazards. A risk in average to above average condition will have heating, wiring and plumbing systems in good working order. The roof will be in good condition.

PACKAGE LIMITS AND COVERAGES

Other Structures	10% of the Coverage A (Dwelling) Limit of Liability
Personal Property	50% of the Coverage A (Dwelling) Limit of Liability
Loss of Use	10% of the Coverage A (Dwelling) Limit of Liability
Personal Liability & Medical Payments	\$25,000/\$500 (Increased limits available)

BASIC ELIGIBILITY & POLICY FORM

Policy Form	ST000 (03/06) Homeowners 10 Policy
Loss Settlement	ACV on the Dwelling and Personal Property
Home Values	\$40,000 - \$250,000
Deductible	\$500 Base Deductible

PERILS INSURED AGAINST

Dwelling & Other Structures	Named Peril
Personal Property	Named Peril including Burglary
Enhanced Coverage Endorsement - ST348 (10/06)	<p>Additional Perils included with this optional endorsement: Collapse, Falling Objects, Weight of Ice, Snow or Sleet, Accidental Discharge or Overflow of Water or Steam, Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging, Sudden and Accidental Damage from Artificially Generated Electrical Current and Freezing of a Plumbing, Heating, Air Conditioning or Automatic Fire Protective Sprinkler System or a Household Appliance. ST348 (10/06) - Water/Mold Limit 10% of Cov. A, subject to a \$10,000 annual aggregate</p>

QUOTING PROCEDURE

Rate pages are not available for this program.

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

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

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

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

TERRITORY ALIGNMENT

Territory 70

Remainder of State

Territory 71

Ozaukee, Washington, Waukesha, Racine

Territory 72

Milwaukee, Kenosha

DIRECT BILL PREMIUM PLANS

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

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

ANNUAL POLICIES

1. Paid in Full.
2. 4-Pay Plan - 25% down with 3 installments. Collect the 25% down. We will bill in 3 installments which will be due by day 65, day 155, & day 245.
3. 10-Pay Plan - 16.3% down with 9 installments. Collect the 16.3% down. We will bill in 9 installments which will be due by day 40, day 70, day 100, day 130, day 160, day 190, day 220, day 250, & day 280.

A SERVICE CHARGE IS ASSESSED FOR EACH INSTALLMENT, INCLUDING THE DOWN PAYMENT.

EZPay - 2 months downpayment required with 10 additional installments automatically deducted from a savings/checking account. Collect the downpayment and submit signed application form 00220-08-G with application and a voided check or deposit slip. The customer may choose date of automatic withdrawal.

TARGET MARKET, RULES AND DEFINITIONS

GENERAL RULES AND RATING INFORMATION

1. Application(s)	The agent's and applicant's signatures are required .
2. Insurance to Value	Dwelling must be insured to 100% of dwelling market value , excluding the land value. If the Replacement Cost Settlement Option is chosen the dwelling must be insured to 100% of its' replacement cost value.
3. Home Values	Dwellings valued between \$40,000 and \$250,000 are eligible.
4. Occupancy and Risk Parameters	One and two family, up to three stories, owner occupied and seasonal dwellings are eligible.
5. Policy Term	All policies are written for a term of one year . Effective time - 12:01 A.M. Standard Time.
6. Whole Dollar Rule	The premium shall be rounded separately for each coverage to the nearest whole dollar .
7. Cancellation Rule	No flat cancellation is allowed if coverage has been provided under our policy.
8. Transfer or Assignment	Policies may not be transferred or assigned.
9. Minimum Written and Earned Premium	There is a \$100 minimum written and earned premium .
10. Supplemental Heating Device	A \$40.00 surcharge applies to all dwellings equipped with a Supplemental Heating Device.
11. Claims Verification	A Clue report showing past claims activity will be ordered to verify claims.
12. Inspection Fee	A \$35.00 Inspection Fee is required with all new business applications.

DEFINITIONS

1. Owner Occupied Dwelling	Dwellings owned by the insured that are occupied on a full-time basis as the insured's primary residence for at least five (5) consecutive months. (Dwellings may not be rented to others for any length of time.)
2. Seasonal/Secondary Dwellings	Dwellings owned by the insured that are occupied on an intermittent or non-continuous basis as the insured's secondary or seasonal residence for less than five (5) consecutive months. (Dwellings may not be rented to others for any length of time.)
3. Other Structures	Structures on the dwelling premises which are not attached to the dwelling (including septic tanks).
4. Supplemental Heating Device	Wood, coal or pellet burning stoves, space heaters, fireplace inserts or any other solid fuel burning device that is not centralized.
5. Full Repair Cost Loss Settlement	Partial losses are settled without deduction for depreciation (Optional Coverage).

TEMPORARY SUSPENSION OF WRITINGS

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

Impending Severe Weather

Impending severe weather includes, but is not limited to:

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

Earthquake (This only applies when Earthquake Coverage is provided.)

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

Wildfire

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

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

UNDERWRITING GUIDELINES

PRIOR LOSS HISTORY

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

RISK CHARACTERISTICS

Animals	<ul style="list-style-type: none"> ◆ Applicants with large, unusual, exotic, vicious, or potentially vicious animals are NOT acceptable. Animals in this category include, but are not limited to: Animals with a previous bite history or vicious propensities Dobermans, Chows, Rottweilers, Akitas, American Staffordshire Terriers (Pit Bulls), attack dogs and Wolf Hybrids, (or any mix thereof) Ostriches, Emus, Horses, Farm or Ranch animals, or any type of wild exotic animals or pets
Swimming Pools	<ul style="list-style-type: none"> ◆ In-ground pools must have a fence, at least four feet high with a locking gate that encloses the pool. ◆ Above-ground pools must have either a fence, at least four feet high with a locking gate that encloses the pool or steps and ladders that can be secured, locked, or removed when the pool is not in use. ◆ Risks not meeting this criteria are not acceptable.
Business on Premises	<ul style="list-style-type: none"> ◆ Applicants with employees are not acceptable.
Roof	<ul style="list-style-type: none"> ◆ No age restriction.
Wiring	<ul style="list-style-type: none"> ◆ Knob & tube wiring is NOT acceptable.
Heating	<ul style="list-style-type: none"> ◆ Primary heat source must be thermostatically controlled and can NOT be a supplemental heating device.
Supplemental Heating	<ul style="list-style-type: none"> ◆ Supplemental heating devices include wood/coal/pellet or any other solid fuel burning device. <ul style="list-style-type: none"> ○ Kerosene and other portable space heaters are NOT acceptable. Note: Fireplaces are NOT considered supplemental heating devices unless equipped with a fireplace insert.
Steps, Porches and Decks	<ul style="list-style-type: none"> ◆ Must have secured handrails if 3 feet or more above the ground. ◆ Risks not meeting this criteria are not acceptable.
Uninsured Properties	<ul style="list-style-type: none"> ◆ If the risk has been uninsured for 31-90 days DO NOT BIND/SUBMIT with explanation. ◆ If the risk has been uninsured for more than 90 days then DO NOT BIND/DO NOT SUBMIT. Special exceptions may be made for extenuating circumstances. Please contact your underwriter for consideration with full details.

RISKS THAT ARE NOT ACCEPTABLE ● DO NOT BIND ● DO NOT SUBMIT

- Applicants**
- ◆ Currently unemployed, other than retired or disabled
- With these characteristics:*
- ◆ Four or more losses of any kind in the last three years (*For additional guidelines see "Prior Loss History"*)
 - ◆ Past conviction for arson, fraud, or other insurance-related offenses
 - ◆ Mortgage payments 60 days or more past due or currently in foreclosure
 - ◆ More than two lienholders and/or mortgagees
-

- Dwellings**
- ◆ Dwellings in poor physical condition and not properly maintained
- With these characteristics:*
- ◆ Attached to, occupied as, or converted from a commercial risk
 - ◆ Condemned, vacant, unoccupied or rented. Under construction, or undergoing major renovations (*Minor renovations are acceptable and include painting, roof repairs, carpeting, and plastering*)
 - ◆ Unrepaired or existing damage
 - ◆ Hand-hewn log homes built before the year 2000, earth homes, dome homes, open pier homes, stilt homes, row home, townhome or condominiums
 - ◆ Manufactured homes, modified manufactured homes, or trailers (*Refer to AMIG's Manufactured Home Program*)
 - ◆ Non-conventional construction or design (*Shell homes, Do-It-Yourself construction, or homemade homes*)
 - ◆ Primary heat source that is **NOT** thermostatically controlled or is a supplemental heat source
 - ◆ Kerosene or portable space heaters
 - ◆ Underground fuel tank on premises
 - ◆ Without smoke detectors
 - ◆ Dwellings with water leaks or plumbing in disrepair
 - ◆ Without utilities such as natural gas, electric, or water
 - ◆ In the name of a corporation
 - ◆ Within 1,000 feet of rising water, or in an area that is prone to flooding
 - ◆ With farming conducted on premises
 - ◆ In a landslide or isolated area, not accessible by road
 - ◆ In a forest fire, brush fire area or within 500 feet of brush
-

- Other Structures**
- ◆ In poor physical condition and not properly maintained, (unless if Other Structures exclusion is attached)
- With these characteristics:*
- ◆ Kerosene or portable space heaters
-

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

CANCELLATION PROCEDURES

American Modern Insurance Group, Inc. will accept a request to cancel a policy when we receive that request within 90 days of the requested cancellation date, and the request is accompanied by proper documentation. If the request is received more than 90 days after the requested cancellation date, the effective date of the cancellation will be the date the request was received at American Modern Insurance Group, Inc. unless:

- ◆ Insured no longer had a financial interest in the risk as of the requested cancellation date;
- ◆ The request to cancel is due to a total loss;
- ◆ Duplicate American Modern policy providing coverage for the same risk exists.

OPTIONAL COVERAGES

Coverage	Available Occup.	Limits	Rates	Included Coverages	Important Information	Codes
Personal Liability	Owner Seasonal	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000	Included \$10.00 \$20.00 \$35.00 \$45.00	\$500 Medical Payments each person, \$10,000 each occurrence		L1
Medical Payments - Personal Liability	Owner Seasonal	\$1,000	\$5.00 for \$1,000	\$500/\$10,000 of coverage		1M
Personal Property	Owner Seasonal	Max: 100% of Coverage A	\$5.00 per \$1,000	50% of Coverage A		7A7
Replacement Cost on Personal Property	Owner Seasonal	Max: 100% of Coverage A	10% surcharge to dwelling base premium			NV
Loss of Use	Owner	Max: 20% of Coverage A	\$5.00 per \$1,000	10% included		HJ
Full Repair Cost	Owner Seasonal		\$50.00 per year			ZH
Optional Deductibles	Owner Seasonal	<u>All Other Peril Options</u> \$1,000 \$2,500 \$5,000	-15% -20% -30%		\$500 All Perils Base Deductible	H9
Other Structures Coverage	Owner Seasonal	Max: 50% of Coverage A	\$3.00 per \$1,000	10% of Coverage A		BH
*Enhanced Coverage Endorsement	Owner Seasonal		15% Surcharge to dwelling base premium		Endorsement ST348 (10/06)	HV
Additional Residence Rented to Others	Owner Seasonal	\$25,000 \$50,000 \$100,000 \$200,000 \$300,000	\$18.00 \$33.00 \$40.00 \$47.00 \$55.00		Endorsement 72935 (02/06)	M6
Theft	Owner Seasonal	Max. \$5,000	\$10.00 for \$1,000 \$20.00 for \$2,000 \$30.00 for \$3,000 \$40.00 for \$4,000 \$50.00 for \$5,000			HK
Homeowners and Dwelling Property Earthquake Coverage	Owner Seasonal		\$0.65 per \$1,000		A deductible of 10% (minimum \$1,000) of the limit applies separately to each coverage.	EP

***Enhanced Coverage Endorsement ST348 (10/06) - 15% surcharge**

This endorsement broadens the HO-10 policy form by adding additional perils. It also provides Water/Mold coverage of 10% of Cov. A, subject to a \$10,000 annual aggregate. Please see policy form for perils included.

OPTIONAL EXCLUSIONS FOR RISK ACCEPTANCE

Coverage	Available Occup.	Limits	Rates	Included Coverages	Important Information	Codes
Other Structures	Owner Seasonal	N/A	\$3.00 Credit			HS

CREDITS/SURCHARGES

Premium surcharges and/ or credits may apply for the following:	Important Information	Rates	Code
Masonry Construction Discount		-20%	
Supplemental Heating Devices		\$40.00	H3
Age of Home Discounts:	0, 1 2 3 4 5 6 7 8	-9% -8% -7% -6% -5% -4% -3% -2%	
Claims:	0 2 3	-10% +25% +50%	
Protective Devices Credits not to total more than 10%.	For Central Station Fire and Smoke or Burglar Alarm For Remote Station Fire and Smoke or Burglar Alarm For Dead Bolts, Smoke Alarm and Fire Extinguisher	-5%, -10% for both -2%, -4% for both -5%	72, 73 E4, E5 D6

FORMS LISTING (For Reference Only)

Form Number	Title
ST000 (03/06)	Homeowners 10 Policy
0110-4269 (05/92)	Declaration Page
<u>MANDATORY ENDORSEMENTS</u>	
STA48 (07/06)	Homeowners 10 Policy Special Provisions – Wisconsin
STJ00 (09/06)	Homeowners – 10 Policy Mold Limitation
<u>OPTIONAL ENDORSEMENTS</u>	
70399 (03/85)	Notice of Cancellation or Nonrenewal
72670 (10/06)	Full Repair Cost
72935 (02/06)	Additional Residence Rental to Others
73652 (07/99)	Homeowners and Dwelling Property Earthquake Coverage
ST348 (10/06)	Enhanced Coverage Endorsement
ST900 (06/05)	Homeowners 10 Policy Other Structures Exclusion
ST700 (01/04)	Homeowners 10 Policy Replacement Cost Coverage – Personal Property
STT00 (10/06)	Theft Coverage

HOW TO REACH US WHEN YOU NEED US

TO REPORT A CLAIM OR REACH OUR CUSTOMER CARE SERVICES DEPARTMENT:

Please **call**:
1-800-543-2644

Fax:
1-800-217-5150

or **Report Claims Online**:
<http://www.amig.com>
choose "Claims"
select "File a Claim"
select the "Homes" form

New Loss Notices may be sent to:
American Modern Insurance Group, Inc.
Attn: Customer Care
P.O. Box 5323
Cincinnati, Ohio 45201-5323

TO ORDER SUPPLIES:

Please **call**:
1-800-869-2022

or **Fax**:
1-888-767-0826 or 1-616-559-6001

Supply orders may be sent to:
Grand General Insurance Agency, Inc.
3030 Ivanrest Ave. SW, Suite B
Grandville, MI 49418
Attn: Supply Department

When ordering, please refer to the form number at the lower left hand corner of the page.



AMERICAN FAMILY HOME INSURANCE COMPANY

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