



American Commerce Insurance Company

NAIC # 19941, NAIC Group #0816

Connecticut MAPS Homeowners Program Rules Manual

Edition Date:

~~April 1, 2024~~ August 18, 2025

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

INTRODUCTION

~~The Rule Manual outlines the requirements for the new homeowners product which provides property and liability coverages using the forms and endorsements specified in the following pages. This is used in conjunction with the Rating Manual.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

PART A– HOMEOWNERS PROGRAM OVERVIEW

Rule A-1: Form Types

FORM TYPES

~~**HO3:** Special Form—Provides “open perils” coverage on the dwelling and other structures and “named perils” coverage on personal property. This policy may be written on an owner-occupied single-family, duplex, triplex, and fourplex dwelling used exclusively for private residential purposes with no more than 1 family per unit. At least one unit of the multi-family dwelling must be occupied by the insured.~~

~~**HO4:** Contents Broad Form—Provides “named perils” coverage on the personal property of a tenant(s) occupying an apartment, townhouse, condominium, single-family dwelling or one unit in a 1-4 family dwelling used exclusively for private residential purposes with no more than 2 roomers or boarders.~~

~~**HO6:** Unit Owners Form—Provides “named perils” coverage on building property and personal property for an insured who resides in an owner-occupied single-unit condominium with no more than 2 roomers or boarders. The residence may be part of a multi-unit complex.~~

HO 00 03: Special Form (Homeowners) - covers the residence, private structures and additional living costs against all physical loss with certain exceptions. Personal property is covered on a “named perils” basis.

HO 00 04: Contents Broad Form (Tenant) - covers personal property including the insured's interest in building improvements and betterments and additional living costs against loss on a "named perils" basis broader than those named under HO 00 03 above.

HO 00 06: Unit Owners Form (Condominium) - covers fixtures, alterations, additions, structures owned by insured; personal property; additional living costs and loss of rent.

PART C – RATING PLAN

Rating Rules

Please refer to the Rate Manual for the available limits, corresponding factors/premium amounts, and the perils to which they apply.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

POLICY REQUIREMENTS

Rule C-1: Limits of Liability and Coverage Relationships

Section I Coverages – Property

1. Coverage A – Residence (HO 00 03 only); Fixtures, Alterations and Real Property (HO 00 06 only)
2. Coverage B – Private Structures (HO 00 03 only)
3. Coverage C – Personal Property
4. Coverage D – Additional Living Costs and Loss of Rent

Section II Coverages – Liability

1. Coverage E – Personal Liability
Pays on behalf of the insured for damages due to bodily injury or property damage caused by an occurrence related to the insured's premises or personal activities.
2. Coverage F – Medical Payments to Others
Pays medical expenses incurred by persons, who are not insureds, if the bodily injury occurs in connection with the insured's premises or personal activities.

Coverage Limits

The following minimum limits apply to each form type.

Minimum Policy Requirements	HO3	HO4	HO6
CVA	\$125,000* Base Coverage— 100% Replacement Cost	N/A	\$5,000
CVB	10% of CVA (Only 10% option available)	N/A	N/A
CVC	470% 70% of CVA (Cannot be < 70% or > 100% of CVA)	Base Coverage \$20,000	Base Coverage \$25,000
CVD	2030% 30% of CVA (Cannot be < 20% or > 50% of CVA)	340% 40% of CVC (Cannot be < 40% or > 75% of CVC)	540% 40% of CVC (Cannot be < 40% or > 75% of CVC)
CVE	\$100,000	\$100,000	\$100,000
CVF	\$1,000	\$1,000	\$1,000

All limits can be increased for an additional premium. Please refer to the Rate Manual for available increased limits and pricing.

~~* Replacement cost of 100% applies unless the Special Loss Settlement endorsement, HO0456, is attached to the policy.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-2: Rating Perils

The following perils are used in rating:

- Fire
- Water Non-Weather
- Water Weather
- Windstorm/Hail
- Hurricane
- Liability
- Theft
- Other

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule C-3: BASE RATES

Base Amount of Insurance is a flat dollar amount used to calculate Relative Amount of Insurance.

~~Base rates are grouped between Group 1 perils and Group 2 perils. Group 1 perils refer to the portion of the rate associated with all covered perils not in Group 2. Group 2 perils refer to the portion of the rate associated only with the causes of loss or perils of wind, hail, lightning, volcanic action, and claims coded by ACIC as catastrophe.~~

~~Refer to the Rating Manual for base rates.~~

Rule C-4: Policy Type Factor

The Policy Type Factor is based upon the Policy Form (HO 00 03, HO 00 04, HO 00 06)

Rule C-5: Policy Tier Guidelines

Refer to Tier Manual for details.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule B-6: POLICY PERIODTERM (All forms)

The policy will be written for a period of one year and will be extended for successive policy terms by timely payment of the renewal premium, and based upon the premiums, forms and endorsements then in effect for the company.

Homeowner (HO3), Condominiums (HO6) and Tenant (HO4) policies are written for annual terms.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule B-7: Whole Dollar Premium Rule

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

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-9: Policy TERRITORY DETERMINATION

Territory is determined by the zip code, ~~city, and county~~ where the dwelling is located. The exact dwelling address is required. When an exact dwelling address is non-existent, the legal description of the property as it appears on the deed or the address used by a local utility company is required. Rural route and box number addresses are unacceptable.

An insured's rates shall not be changed solely because the United States Postal Service (USPS) changed a zip code. The physical boundaries of a rating territory shall be determined based on the boundaries for the zip code at the time when ACIC filed the territory definitions. Territory boundaries can be adjusted only when a filing is made to do so.

~~Territory assignments are based on the zip code, city, and county which will determine the territory factor. Territories for Group 1 Perils and Group 2 Perils will be used for Peril Development Subtotal. Earthquake Territory will be used for endorsement rating if coverage(s) is requested.~~

~~The Group 1 Territory shall be displayed on the Declarations Page and reported to the statistical bureaus.~~

~~Refer to the Rating Manual for applicable territory factors.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

CONSTRUCTION TYPE/Rule C-11: Public PROTECTION CLASS FACTORS

The (construction/protection class) table combines the construction type and protection class factors to determine the Construction Type/Protection Class factor.

The policy premium ~~may be~~ is adjusted depending ~~upon~~ the covered residence Public Protection Classification ~~and construction type~~. Protection classes are defined by ISO

See Protection Classification Definitions rule

The protection classification will be assigned when the policy is written as determined by the ISO Location Program. The construction type will be rated either as Frame, Masonry, Masonry Veneer, Superior, Log, or Modular.

Construction Types	Description
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 roof of combustible construction (disregarding floors resting directly on the ground).
Frame	Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame. A style of construction where the load bearing structural supports of the building made of wood framing. A combination of both frame and masonry construction shall be classed as frame construction (including gables) when frame exceeds 33 1/3% of the total exterior wall area; otherwise class as masonry.
Masonry Veneer	Exterior walls of combustible construction veneered with brick or stone that is used for appearances rather than structural support.
Superior Construction Type	Any of the following or any combination thereof: a. Non-Combustible—Exterior walls and floors and roof constructed of, and supported by, metal, asbestos, gypsum, or other non-combustible materials. b. Masonry Non-Combustible—Exterior walls constructed of masonry materials (see “Masonry” definition above) and floors and roof of metal or other non-combustible materials. c. <u>a. Fire Resistive and/or Wind Resistive</u> —Exterior walls and floors and roof constructed of masonry or other fire resistive and/or wind resistive materials including steel or concrete frame.
Log Homes	Dwelling made from logs that have not been milled into conventional lumber (pre-manufactured logs).

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Modular Homes	Modular homes are homes built in modules at a factory. Modules are transported to the home site on flat bed trucks. Unlike manufactured mobile homes, modulars conform to state, local and regional codes where the home is to be located.
----------------------	---

Rule B-9: Protection Classification

1. For jurisdictions with a single protection classification number, all properties within the jurisdiction will receive the listed classification number.
2. For jurisdictions listed with multiple protection classification numbers known as a “split classification”, the classification number applicable to the dwelling is assigned as follows:

Distance to Fire Station	Class
A. 5 road miles or less and within 1000 feet of recognized water source	*
B. 5 road miles or less and more than 1000 feet of a recognized water source	**
C. More than 5 road miles but less than 7 with either (1) a recognized water source within 1000 feet or (2) an alternate creditable water supply	10W
D. All dwellings not qualifying for A., B., or C. above	10

*First protection class (for example 6/6X, then use Class 6)

**Second protection class (for example 6/6X, then use Class 6X)

3. Definitions:
 - a. “Recognized responding fire station” - a fire station meeting the minimum criteria of ISO’s Fire Suppression Rating Schedule (FSRS).
 - b. “Primary fire department” - the department with primary overall responsibility for the jurisdiction.
 - c. “Recognized water source” - a water source meeting the minimum criteria of ISO’s FSRS.
 - d. “Alternate creditable water supply” - a water supply delivered by fire department operations to areas beyond 1,000 feet of a creditable water supply source.

~~Refer to the Rating Manual for applicable construction/protection class factors.~~

**American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual**

~~NUMBER OF FAMILY UNITS/TOWNHOUSE OR ROW HOUSE FACTORS~~

~~Number of Families Factors~~

~~A Factor applies to the HO3 policy type when the dwelling is a two, three or four family dwelling.~~

~~Refer to the Rating Manual for applicable number of family factors.~~

~~Townhouse or Row House Factors~~

~~A factor applies to HO3 forms when Townhouse or Row House residence type is selected. The applicable factor also depends on the Townhouse/Row House protection class.~~

~~An eligible 2 family dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual units within a fire division. An eligible 4 family dwelling attached to a 3 family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual units.~~

~~Refer to the Rating Manual for applicable Townhouse or Row House factors.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

MARKET TIER FACTORS

~~Tier assignment is treated as a class code where the insurance score (FM Code), the age of first named insured, and experience/claim point factors are used.~~

~~Tier Assignment (4 digit alpha-numeric codes) shall be displayed on the declarations page. The first letter corresponds to a tier level. The second letter corresponds to an age grouping. The third and fourth letters corresponds to the number of claim points.~~

~~There are four steps in determining the tiering factors:~~

- ~~1. Obtaining the Financial Merit Code~~
- ~~2. Determining Age of First Named Insured~~
- ~~3. Determining total number of claims and claim point component detail~~
- ~~4. Assigning tier class code based on first three steps.~~

~~The tiering steps are described below:~~

~~(1) Obtaining the Financial Merit Code:~~

Rule B-10: Financial Merit Rule

~~New Business effective on or after 04/21/20:~~

~~Financial Merit (FM) insurance scores are ordered for the Primary Named Insured (PNI).~~

~~The Attract 3.0 credit model will be used to determine the FM insurance scores for new business. Based on FM insurance score, the applicable FM code will be assigned.~~

~~The policy is re-rated if the consumer reporting agency provides notice that initial credit information is incorrect or incomplete within 30 days after receiving notice. A refund to the customer shall be provided, calculated back to the shorter of either 12 months of coverage or the actual policy period.~~

~~Existing Business prior to 04/21/20:~~

~~Existing policies will continue to be rated under the E2 Custom Credit Model.~~

Insured Request to Reorder Credit

~~The Financial Merit/credit score can be updated up to once per year at the insured's request. The existing credit model used for rating the policy at the time of the insured request will be reordered.~~

~~If the current FM Code is based on a credit score group for incomplete files, a new FM Code will be assigned for use in the rating algorithm as of the next policy term effective date. In all other instances, a new FM Code score will only be assigned for use in the rating algorithm as of the next policy term effective date. Tier if the updated credit FM insurance score results in a lower rate compared to is an improvement from the previous credit insurance score on file.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~If there is a 'no hit' or 'no score' the insured is placed in the neutral scoring level.~~

~~Extraordinary Life circumstance—Neutral assignment will apply to where a finding has been made that an extraordinary life circumstance occurring within the prior three years, before the date of the application adversely impacted the applicant's credit history.~~

~~The updated rating will be effective at the next renewal date of the policy.~~

~~(2) — Age of First Named Insured Component~~

~~—The age of first named insured will be used to determine the age code. Ages are grouped per the following:~~

Age of First Named Insured	Age Code
0-29	1
30-34	2
35-54	3
55-64	4
65-69	5
70+	6

~~(3) — Rule C-32 Loss History Rating~~

~~Determining Total Number of Claims and Claim Point Component Detail~~

~~The combination of all cause of loss codes on a policy (i.e. WTR, FIRE, etc.) will be assigned a point value. If a claim reported by CLUE or a property claim incurred with ACIC has two or more cause of loss codes, both cause of loss codes will be considered in the point assignment applied.~~

~~All form types are subject to the experience and claim point factor.~~

~~The Loss History Rating Plan recognizes the loss history of an insured, for both property and liability coverages, in determining the appropriate premium for new and renewal policies.~~

Eligibility

1. The loss occurred during the five years immediately preceding the effective date of the policy or its renewal;
2. The loss occurred with respect to a risk eligible for coverage under the Homeowners Policy Program;
3. The loss was sustained with respect to the property or liability of an insured under the policy being rated; and
4. The combined claim payments generated for the loss is greater than \$500

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

For new business, prior primary residence claims within the experience period should be assigned to the ACIC primary residence policy. Prior seasonal dwelling claims within the experience period should be assigned to the ACIC seasonal dwelling policy.

New Business:

~~Property CLUE reports will be used to determine the number of points assessed for rating. Reports will be ordered for the past 3 years. The chargeability period (experience period) will be for 36 months. Open claims are subject to chargeability depending on the cause of loss. Any loss will be considered chargeable if the paid loss amount is greater than \$500. Any loss will be considered chargeable if the paid loss amount is greater than \$500.~~ If there are more than three chargeable claims in the experience period, minimum of \$1,000 deductible is required.

ACIC will utilize the Subject Claims type of report will return losses that matched on the applicant submitted in the order. This report will also return matches on the last name and a submitted mailing or former address.

If multiple causes of loss are reported for one unique claim number and one cause of loss is a “non-chargeable” cause of loss, then the entire claim is non-chargeable.

Exceptions ~~to chargeable claims:~~

The following will not be considered eligible for rating under the plan:

1. A loss which has been assigned the Catastrophe designation by the Insurance Services Office (ISO);
2. Loss resulting from windstorm or hail;
3. A loss resulting from earthquake, mine subsidence, or sinkhole collapse;
4. A loss for which Medical Payments to others or similar coverage was the only payment;
5. A loss to a dwelling currently owned by an insured or applicant which occurred prior to their ownership.
6. Policyholder inquiries are not considered chargeable.

~~Refer to the Rating Manual for total number of claims and the claim point component detail.~~

Renewal Business:

~~Claims incurred with ACIC are also subject to the point system. Claims from ACIC will be manually added according to the same rules as claims from Property CLUE.~~

~~Updated credit reports will not be ran on existing policyholders unless specifically requested by the policyholder.~~

Refund of Increase Premium

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

—If after an increased premium due to a chargeable loss/claim is generated, it is determined that the chargeable loss/claim does not meet the chargeable definitions, the increased portion of premium shall be refunded.

Administration of Loss History Rating Plan

Information necessary to determine the loss history of the named insured or applicant shall be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A loss history or claims history database.

A company's internal records.

~~(4) Assigning tier class code based on data obtained in first three steps:~~

- ~~• FM code~~
- ~~• Age of First Named Insured Group~~
- ~~• Claim Point Component Detail~~

~~Refer to the Rating Manual for applicable tiering assignment and factors.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

ROOF TYPE FACTORS

The roof type factor considers the type of roof. This factor applies only to form type HO3.

Roof types	Description
Wood/Wood Shake	These are made from cedar, redwood, southern pine and other woods. Shingles are machine-sawn; shakes are hand-hewn. (Some local building codes limit their use because of fire resistance concerns.)
Flat Roof (Buildup Tar and Gravel)	Flat roof type composed of overlapping rolls of saturated or coated felts and built up to form layers.
Asphalt/Fiberglass shingle	Most common roofing material in the U.S. Fiberglass shingles use a fiberglass reinforcing unit while the organic type uses a cellulose fiber mat derived from wood. Relatively low cost and easy to install.
Spanish or clay tile	Solid, long-lasting material. Higher threshold for hail damage.
Concrete tile	Similar to Spanish/Clay tiles however provides more protection.
Slate	Quarried in the Northeast, very strong material. Most durable of all roofing materials. Requires special skill and experience to install which may affect cost.
Metal	Common metal roofing materials are painted aluminum and steel. Other higher end options include copper and stainless steel. Long life, lightweight, often receives cosmetic damage from hail storms.
Other	Other roof types not listed above.

Refer to the Rating Manual for applicable roofing factors.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

WINDSTORM MITIGATION DISCOUNTS

The windstorm mitigation factor is applied ~~to Group 2 perils~~ when the insured incorporates windstorm mitigating features onto the dwelling. The following features are included in ~~these~~ this factors:

Mitigation type	Description of
Roof Bracing Roof bracing features are designed to transfer the energy from the wind force to the exterior walls and then down to the foundation properly.	Truss Bracing – Presence or installation of 2x4s that run the length of the roof, overlapping the ends of the 2x4 across two trusses in gabled roofing. Braces should be installed 18 inches from the ridge, in the center span, and at the base, with 8 to 10 feet between the braces with 14-gauge wood screws or two 16d galvanized common nails at each truss. Gable End Bracing – Presence or installation of 2x4s placed in an “X” pattern from the top center of the gable to the bottom center brace of the fourth truss, and from the bottom center of the gable to the top center brace of the fourth truss. Braces installed with two 3 inch, 14 gauge wood screws or two 16d galvanized common nails. Hurricane Straps – Straps designed to help hold roof to the walls made of galvanized metal. Generally installed by professionals. This may be installed in any type of roofing.
Reinforced Exterior Doors This feature prevents high winds that can enter the home and put pressure on roof and walls that can cause extensive damage. Both double entry doors and garage doors must be reinforced to qualify for the discount.	Double Entry Doors – Bolt system that reinforces door with bolts and pins. The bolt system that typically comes with original door is not strong enough. Bolt systems are available at retailers to retrofit door. Garage Doors – Garaged doors are reinforced at their weakest points. Involves installing horizontal bracing on each panel. Retrofit kit is generally available from the garage door manufacturer at retailers.
Hurricane /Storm Shutters or Laminated glass windows This feature prevents high winds that can enter the home and put pressure on roof and walls that can cause extensive damage.	Hurricane/Storm Shutters or Laminated Glass Windows- Acts as the first line of defense against hurricane winds. Protection is placed over doors and windows to protect against wind and wind-borne debris. Must be designed to withstand sustained winds of 100 mph. Must be applied to all exterior walls and roof openings, such as doors, windows, skylights, and vents. Both features must be properly installed in accordance with the manufacturer.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Plywood Shutters	Plywood Shutters – Plywood shutters must be available to fully protect all exterior wall and roof openings such as doors, windows, skylights, and vents. Roof ridge vents and soffit vents do not have to be protected by shutters. The plywood must be precut and stored onsite in a dry and secure place. All necessary anchorage hardware, as described by the Institute for Business and Home Safety publication “Is Your Home Protected From Hurricane Disaster?: A Homeowner’s Guide to Hurricane Retrofit,” must be installed on the dwelling.
None	Windstorm Mitigation feature(s) is not present.

Proof is required within the Underwriting free period for the Windstorm Mitigation factor to apply. Acceptable proof includes bill of sale/receipt for products purchased or installed by a professional.

If proof is not received within the UW free period, then factor applicable to “None” is applied.

~~Refer to the Rating Manual for applicable wind mitigation discounts.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-12: AGE OF HOME FACTORS

Age of home factor is determined by age of the ~~home~~insured dwelling. The age of home is considered as the Policy Effective Year minus Year Built of the dwelling.

~~Refer to the Rating Manual for applicable age of home factors.~~

Rule C-13: Year Built Factor

The Year Built factor is based on the year that the insured dwelling was built.

Rule C-15: Roof Type Factor

The Roof Type Factor is based upon the material of the roof.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

POLICY DISCOUNTS

~~The following discounts are available on all form types unless otherwise noted.~~

A. Rule C-14: Account Multi-Policy Discount

~~Applicable if the named insured has an ACIC vehicle policy and an ACIC homeowner (all forms), renter, or condo policy.~~

All policy forms are eligible for a premium discount, under any of the following conditions:

1. The named insured's private passenger policy is also insured with American Commerce Insurance Company.

The agent currently writes the named insured's private passenger automobile policy with another insurer and is transferring that automobile policy to American Commerce at its next renewal date. The Account Discount may be provided at the inception of the homeowner policy, and a copy of the current auto policy declarations page should be attached to the homeowner's application

B. Loyal Customer Discount

~~Loyal Customer discount will begin to apply at the first annual renewal and continue for the life of the policy. The discount continues if a policy lapses for nonpayment and is reinstated. This discount can also be applied at new business if the named insured had:~~

- ~~a) A policy with a MAPFRE USA company from another state; or~~
- ~~b) If the named insured came from a policy with another MAPFRE USA company due to divorce or separation; or~~
- ~~c) When a child under the age of 25 leaves an existing MAPFRE USA policy to establish his or her own MAPFRE USA auto policy.~~

C. Rule C-20: Association Discount

Association Discount Groups are assigned to groups of business that demonstrate better than average loss performance. The following Association Discount is available.

- Auto Club Member Discount**

Auto Club member discount is applicable when a named insured or spouse is a member of an Auto Club that provides emergency roadside assistance. The Auto Club membership number and member since date must be submitted to ACIC.

D. Rule C-19: Affinity Discount

Affinity Discount Groups are assigned to groups of business that represent either a lower expense structure, a higher retention benefit, or lower loss ratio. This list of groups that

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

qualify for this discount and the appropriate discount level are indicated in the Rating Manual.

E. — Rule C-18: Protective Device Discounts

A discount will apply if any of the discounts in the table below ~~apply are present into~~ the residence premises. Protective devices include: Sprinkler System, Fire Alarm, Burglar Alarm, Gated Community, Lightning Protection. ~~The discount amount will vary depending of the combination of protective devices on the premises.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~**Note:** — Homes under the course of construction do not qualify for any Protective Device Discount.~~

~~**Protective devices include:**~~

Protective Device	Description
Local Burglar Alarm	A full alarm system that covers that total living area of the home. The alarm system connected to a majority of windows and doors and is controlled through a central control panel. It is not a simple stand-alone alarm for individual windows and doors, but a centrally controlled alarm program that is wired throughout the home. This alarm system sounds an audible alarm at that the residence and is controlled through a central control panel.
Central Burglar Alarm	A burglar alarm that reports directly to a police station or central station. This is a full alarm system that covers the total living area of the home. The alarm system is connected to a majority of the windows and doors and is controlled through a central control panel or mobile application. This alarm system is wired to an alarm company that monitors each alarm call.
Local Fire Alarm	A full alarm system that covers the total living area of the home, with a minimum of one smoke detector per floor. Garage must have a minimum of one heat detector. This alarm system sounds an audible alarm at the residence and is controlled through a central control panel.
Central Fire Alarm	A fire alarm that reports directly to a fire station or central station. A full alarm system that covers the total living area of the home, with a minimum of one smoke detector per floor. The garage must have a minimum of one heat detector. This alarm system sounds an audible alarm at the residence and is controlled through a central control panel or mobile application. This alarm system is wired to an alarm company that monitors each alarm call. The company calls the homeowner when an alarm occurs and also sends the fire department to the home.
Residential Sprinkler System	Automatic sprinklers installed in all areas including bathrooms, attics, and attached structures.
Gated Community	A community that has access restricted 24 hours a day either through an automatic gate or the presence of a guard at the entrance to the community.
Lightning Protection	<p>A lightning protection system provides a designated path for the lightning current to travel. The system neither attracts nor repels a lightning strike, but simply intercepts and guides the current harmlessly to the ground. A lightning protection system is made up of several components:</p> <ul style="list-style-type: none"> ▪ Air Terminals – (AKA lightning rods): Inconspicuous slender rods installed on the roof at regular intervals as defined by industry standards. ▪ Conductors – Aluminum or copper cables that interconnect the air terminals and the other system components ▪ Ground terminations – Metal rods driven into the earth to guide the lightning current harmlessly into the ground ▪ Surge Arrestors and Suppressors – Devices that are installed in conjunction with a lightning protection system to protect electrical wiring and electronic systems and equipment

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Documentation for a central burglar alarm, fire alarm credit residential sprinkler system, and/or lightning protection credit must be submitted with the application. Proof can be a copy of a receipt or service contract with the alarm company or lightning protection company. A current billing statement is also accepted. The credit will continue to apply if the protective device(s) are maintained in proper working order.

The Premises Alarm Or Fire Protection System (HO_04_16) will be attached to all policies with a Protective Device Discount, and states that the insured acknowledges the installation of specific protective device(s) on the residence, agrees to maintain the system for which a credit is being provided in working order and will notify the company promptly of any change to or removal of the system(s).

~~Refer to the Rating Manual for the applicable discount grouping code and factors.~~

~~F. — Policy Discount Cap~~

~~— A maximum discount cap the rating algorithm applies. The designated cap amount will apply to the following discounts in this order:~~

- ~~1. Loyal Customer~~
- ~~2. Protective Device~~
- ~~3. Multi-Policy~~
- ~~4. Affinity~~
- ~~5. Association Discount~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~COVERAGE LIMIT FACTORS~~

~~Coverage A (H3) and Coverage C (H4 & H6) increase limit factor tables vary by coverage, form type, and territory grouping. The territory grouping allows for regional differences in loss costs and home values.~~

Rule B-5: Interpolation

Interpolation Rule:

When Coverage A limit selected is less than the highest limit, interpolate the limit factor using the nearest above and below the desired limit. For example:

- Coverage A selected limit is \$203,000 and the nearest limits in the factor table \$200,000
- Limit factor for \$200,000 is 2.837 and the limit factor for \$205,000 is 2.937. Figure the difference between the two limit factors and divide by 5. This provides a factor per \$1000. Ex: $(2.937 - 2.837)/5 = 0.02$
- Multiply the factor per \$1000 times 3 and add 2.837 (the limit factor for \$200,000). Ex: $(0.02 \times 3) + 2.837 = 2.897$. Round to 3 decimal places.
- The result (2.897) is the limit factor for this example.

Coverage C follows the same interpolation rule.

*Factors used in the above interpolation example are for illustration purposes only and do not represent actual factors.

~~Refer to the Rating Manual for applicable increase limit factors.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

~~OCCUPANCY FACTORS~~

~~Not applicable in Connecticut.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-16: Dwelling Usage Factor~~SECONDARY/SEASONAL FACTORS~~

~~A secondary or seasonal residence premises shall be provided under a separate policy. A seasonal dwelling is a dwelling with continuous un-occupancy of three or more consecutive months during any one year period. All rules of this manual shall apply to the secondary or seasonal dwelling.~~

~~Refer to the Rating Manual for applicable Section I secondary and seasonal factors. The Dwelling Use is based on the Dwelling Type. Dwelling Type options include:~~

- ~~• Primary~~
- ~~• Secondary~~
~~A dwelling defined as an additional residence used for other than recreational purposes and is owner occupied for at least 50% of the time.~~
- ~~• Seasonal~~

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

Rule C-17: Increased Limits

Increased Limits are available for the following base coverages:

- ~~• Coverage A (HO 00 06 only)~~
- ~~• Coverage B (HO 00 03 only)~~
- ~~• Coverage C~~
- ~~• Coverage D~~
- ~~• Coverage E~~
- ~~• Coverage F~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

POLICY CREDIT FACTORS

~~Policy Credits are applied at new business and gradually drop off at the rate indicated in the Credit Drawdown section for each discount. Credits are applicable on all form types except HO4.~~

~~Each credit should be adjusted by the appropriate Credit Drawdown. Multiply all applicable policy credit factors for each coverage together to arrive at the total Policy Credit Factor.~~

Policy Credit Calculation

~~Total Policy Credit (repeated for each coverage) =
—— (NPC + NPC Drawdown) x (RCC + RCC Drawdown)~~

A. New Purchase Credit

~~Applicable upon new business when the named insured purchases a new or existing home. Purchase must be within the past 12 months. No longer available for new business on or after 12/09/12.~~

~~Refer to the Rating Manual for policy credit factors and credit drawdown amounts for each renewal.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

~~HAZARDOUS RISK ADDITIONAL PREMIUM~~

~~Premiums are adjusted if any of the following exposures exist on the premises. Additional premium for Hazardous Risk(s) may be applied at renewal if hazard is discovered by Underwriting, was not disclosed at application and is past the UW free period.~~

~~A. Wood Stoves—WS~~

~~—The additional premium for wood stoves is a rate per \$1000 of Coverage A for HO3 and or Coverage C for HO4 and HO6. See Homeowner Eligibility Guidelines for further information.~~

~~B. Rule C-22: Swimming Pools Factor~~

~~—A Pool Factor may apply based upon the presence of a pool on the insured property, derived by a third-party vendor. Both above ground and in-ground pools are considered. The additional premium will depend on the Liability and Medical Payment limits and type of swimming pool. There are four categories:~~

Category	Description
S1	Fenced with slide and diving board
S2	Fenced with slide
S3	Fenced with diving board
S4	Fenced with no accessories

~~C. Spas~~

~~—Additional premium will depend on the Liability and Medical Payment limits and whether the spa is category SP or SF (as described below).~~

Category	Description
SP	Above-ground spa with cover
SF	In-ground spa with fence

~~D. Rule C-23: Trampoline Factors~~

~~—A Trampoline Factor may apply based upon the existence of a trampoline on the insured property, derived by a third-party vendor. The additional premium will depend on the Liability and Medical Payment limits and trampoline features. There are four categories:~~

Category	Description
T1	In-ground trampoline without safety net
T2	In-ground trampoline with safety net
T3	Above-ground trampoline without safety net

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

T4	Above ground trampoline with safety net
-----------	--

E. Animals

~~Not applicable in Connecticut.~~

Rule C-24: Roof Condition Factor

A Roof Condition Factor may apply based upon the roof condition score determined on the insured property, derived by a third-party vendor

Roof Condition Rating Labels and Descriptions

<u>Label</u>	<u>Value</u>	<u>Description</u>
<u>Excellent</u>	<u>2</u>	<u>No visible signs of roof defects</u>
<u>Good</u>	<u>1</u>	<u>Minimal signs of defects that are not visibly pronounced</u>
<u>Fair</u>	<u>0</u>	<u>Visible defects that are not as strongly pronounced or as clearly obvious as a poor roof</u>
<u>Poor</u>	<u>-1</u>	<u>Obvious, pronounced signs of defects that affect the function and safety of the roof. Defects generally affect less than 30% of total roof</u>
<u>Severe</u>	<u>-2</u>	<u>Obvious, pronounced signs of defects that significantly affect the function and safety of the roof. Defects are widespread or large in size and localized</u>
<u>Unknown</u>	<u>Unknown</u>	<u>Property visibly obstructed, often by trees or shadow</u>

Rule C-25: Tree Overhang Factor

A Tree Overhang Factor may apply based upon the amount of the roof obscured by tree overhang, derived by a third-party vendor. The categories are defined as follows:

- No Overhang: Entirety of the roof is free of overhanging trees.
- Minor Overhang: Edge or corner of the roof is obscured by tree canopy
- Moderate Overhang: One or more tree canopies obscure a section (<50%) of the roof
- Major Overhang: One or more tree canopies obscure a section (>50%) of the roof
- Unknown: Cape is unable to provide tree overhang with sufficient confidence.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-26: Solar Panel Factor

A Solar Panel Factor may apply based upon the existence of solar panels located on the roof of the insured property, derived by a third-party vendor.

Rule C-27: Yard Debris Factor

A Yard Debris Factor may apply based upon the square footage of total debris on the insured property, derived from a third-party vendor. Examples of yard debris include junk cars, appliances, construction materials, and disorganized piles of debris in the yard.

A property is considered to have yard debris if the total square footage of debris is greater than or equal to 400 sq ft.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-28: Umbrella Coverage Factor

The Umbrella Coverage Factor is determined based on the limit of liability purchased under the Personal Umbrella Endorsement

Rule C-29: Secondary Heating Source Factor

The Secondary Heating Source Factor may apply based upon the existence of a fireplace, wood stove or a similar type heating source located on the insured property.

Rule C-31: Endorsement Combination Discount

The Endorsement Combination Discount applies when multiple endorsements are included on the policy. Qualifying endorsements must require payment of additional premium.

Rule C-33: Claims Free Discount

The Claims Free Discount applies based on the number of years loss-free. "Claims-Free" means no paid claims greater than \$500.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

F. — Unrenovated Older Home

— Applies only to HO3 policies when the dwelling is a certain age and the features or systems outlined below have not been updated within the time specified by a licensed contractor. The additional premium applies until the customer provides documentation that the systems listed below have been updated by a licensed contractor. Acceptable documentation may include a bill of sale or completed work order. For tile, slate, or metal roof type, this surcharge does not apply.

Renovation Code	Description
O1	Roof only
O2	Plumbing only
O3	Heating only
O4	Electric only
O5	Any 2 of 1-4
O6	Any 3 of 1-4
O7	All 4 — Fully renovated

Renovation Components	Description
Plumbing	For a dwelling that is 50 years old or older, plumbing must be updated to include copper water supply lines within the past 35 years.
Electrical	For a dwelling that is 50 years old or older, electrical systems must be updated to breaker box with 100 amp service or greater within the past 35 years. Acceptable wiring includes Romex, plastic sheathed, flexible armored and conduit. Knob and tube wiring is not acceptable.
Heating and Cooling System	For a dwelling that is 50 years old or older, heating and cooling system must include replacement of burners or heating elements for furnace and compressors for central air conditioning unit within the past 35 years.
Roof	For a dwelling that is 25 years old or older, roof must have been replaced within the past 25 years if the roof type is other than tile, slate, or metal.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

G. Rule C-10: Distance to Coast/Water Factor

The policy ~~Additional~~ premium ~~may will~~ be ~~adjusted applied to property~~ depending on the insured dwelling's ~~their~~ distance from the coast. A distance to coast code ~~Feet to coast measurement~~ is provided by ISO Location ~~Code~~ Program. The ISO Location Code passed will be a 2 digit code (01, 02, 03, 04, 05.....16). The 2 digit code determines rate per \$1,000 of Coverage A for form HO3 and the rate per \$1,000 of Coverage C for HO4 and HO6 forms.

Feet to Coast Code	Description	ISO Code
C1	0—500 ft	01
C2	501—1000 ft	02
C3	1001—1500 ft	03
C4	1501—2000 ft	04
C5	2001—2500 ft	05
C6	2501 ft to < 1 mile	06
C7	1 mile to < 2 miles	07
C8	2 miles to < 3 miles	08
C9	3 miles to < 4 miles	09
CA	4 miles to < 5 miles	10
CB	5 miles to < 10 miles	11
CC	10 miles to < 15 miles	12
CD	15 miles to < 20 miles	13
CE	20 miles to < 25 miles	14
CF	25 miles to < 30 miles	15
CG	30+ miles	16

H. Rule C-21: Oil Tank Factors

Additional premium applies for an oil tank located in the premises. A ~~flat fee~~ factor is applied depending on oil tank location on the property: underground, above ground on masonry, or other above ground location.

~~Refer to the Rating Manual for applicable hazardous risk premiums.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

~~UNACCEPTABLE RISK FACTORS~~

~~Not applicable in Connecticut.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule C-6: Amount of Insurance/Deductibles~~DEDUCTIBLE FACTORS~~

All policy forms are subject to a Section I – Property Deductible.

The Amount of Insurance / Deductible Factors are determined based on the Amount of Insurance for all coverage forms and deductible. HO 00 03 is based on Coverage A limits. HO 00 04 and HO 00 06 are based on Coverage C limits.

~~There are three types of deductibles:~~

- ~~1. All Perils Deductible (fixed dollar amount deductibles available on HO-3, HO-4 & HO-6)~~
- ~~2. Windstorm /Hail Deductible (both percentage and fixed dollar amount deductibles available on HO-3 only)~~
- ~~3. Hurricane Percentage Deductible (percentage deductibles available on HO-3 only). Refer to Mandatory Hurricane Deductibles below.~~

~~All Perils deductible is required on all policies; however, the insured has the option to select a Windstorm deductible, a Hurricane deductible, or both.~~

Rule C-7: Hurricane Deductibles

Hurricane Trigger

“Hurricane” means a storm system that has been declared a hurricane by the National Hurricane Center of the National Weather Service. “Hurricane Period” means a period of time commencing with the issuance of a hurricane warning by the National Hurricane Center of the National Weather Service in any part of the State of Connecticut and ending the earlier of (1) twenty-four hours after the National Hurricane Center’s termination of the last hurricane warning for any part of the State of Connecticut, or (2) twenty-four hours after the National Hurricane Center’s last downgrade of a Hurricane from hurricane status for any part of the State of Connecticut.

Mandatory Deductibles

Mandatory minimum hurricane deductibles apply (to HO-3 only) depending on the distance to coast/water. We will impose a hurricane deductible in lieu of an overall policy deductible during a “Hurricane Period” where a “Hurricane” results in a maximum sustained surface wind of seventy-four miles per hour or more in any part of the state of Connecticut.

ISO's Location Code Tool is used in determining the distance to coast and tidal water.

- Properties located in the State designated “Coastline Neighborhoods” that are less than 2500 feet from the coast will receive the 5% Mandatory Hurricane Deductible.
- Properties located in the State designated “Coastline Neighborhoods” that are greater than > 2500 from the coast will receive a 2% deductible. If mitigation features have been installed for risks located greater than 2500 feet from the coast/tidal water, the Mandatory Hurricane Deductible will be waived.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

If a Hurricane Deductible is selected, the HC 330 CT Hurricane Percentage Deductible endorsements will be included in the policy packet. The deductible will be prominently displayed on the Declaration Page of the Homeowner's Policy as a percentage and its dollar equivalent.

Refer to the Appendix for a list of Coastline Neighborhood

Rule C-8: Windstorm/Hail Deductibles

A separate deductible can be chosen for an HO 00 03 policy for losses caused by a windstorm or hail. All Perils deductible is required on all policies; however, the insured has the option to select a Windstorm/Hail deductible, a Hurricane deductible, or both.

If a Windstorm/Hail Deductible is selected, one of the following endorsements will be included in the policy packet.

- HC 332 CT, Windstorm or Hail Fixed-Dollar Deductible
- HO 0312, Windstorm or Hail Percentage Deductible

The deductible will be prominently displayed on the Declaration Page of the Homeowner's Policy as a fixed dollar, or as a percentage and its dollar equivalent.

•_____.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Appendix

Coastal Neighborhoods

Note: If a property does not fall into the zip/city/county table below, there are no mandatory requirements.

Zip	City	County
06604	BRIDGEPORT	FAIRFIELD
06430	FAIRFIELD	FAIRFIELD
06461	MILFORD	FAIRFIELD
06605	BRIDGEPORT	FAIRFIELD
06606	BRIDGEPORT	FAIRFIELD
06607	BRIDGEPORT	FAIRFIELD
06608	BRIDGEPORT	FAIRFIELD
06610	BRIDGEPORT	FAIRFIELD
06614	BRIDGEPORT	FAIRFIELD
06614	STRATFORD	FAIRFIELD
06615	BRIDGEPORT	FAIRFIELD
06615	STRATFORD	FAIRFIELD
06673	BRIDGEPORT	FAIRFIELD
06699	BRIDGEPORT	FAIRFIELD
06807	COS COB	FAIRFIELD
06820	DARIEN	FAIRFIELD
06824	FAIRFIELD	FAIRFIELD
06825	FAIRFIELD	FAIRFIELD
06830	GREENWICH	FAIRFIELD
06831	GREENWICH	FAIRFIELD
06832	GREENWICH	FAIRFIELD
06836	GREENWICH	FAIRFIELD
06850	NORWALK	FAIRFIELD
06851	NORWALK	FAIRFIELD
06853	NORWALK	FAIRFIELD
06854	NORWALK	FAIRFIELD
06855	NORWALK	FAIRFIELD
06856	NORWALK	FAIRFIELD
06857	NORWALK	FAIRFIELD
06858	NORWALK	FAIRFIELD
06860	NORWALK	FAIRFIELD
06870	OLD GREENWICH	FAIRFIELD
06878	RIVERSIDE	FAIRFIELD
06880	WESTPORT	FAIRFIELD
06881	WESTPORT	FAIRFIELD
06888	WESTPORT	FAIRFIELD
06890	SOUTHPORT	FAIRFIELD
06901	STAMFORD	FAIRFIELD
06902	STAMFORD	FAIRFIELD
06904	STAMFORD	FAIRFIELD
06905	RIDGEWAY	FAIRFIELD
06905	STAMFORD	FAIRFIELD
06906	STAMFORD	FAIRFIELD
06907	STAMFORD	FAIRFIELD
06910	STAMFORD	FAIRFIELD
06911	STAMFORD	FAIRFIELD
06912	STAMFORD	FAIRFIELD
06913	STAMFORD	FAIRFIELD
06914	STAMFORD	FAIRFIELD
06920	STAMFORD	FAIRFIELD
06921	STAMFORD	FAIRFIELD
06922	STAMFORD	FAIRFIELD
06925	STAMFORD	FAIRFIELD
06927	STAMFORD	FAIRFIELD
06928	STAMFORD	FAIRFIELD

Zip	City	County
06409	CENTERBROOK	MIDDLESEX
06412	CHESTER	MIDDLESEX
06413	CLINTON	MIDDLESEX
06417	DEEP RIVER	MIDDLESEX
06419	DEEP RIVER	MIDDLESEX
06419	KILLINGWORTH	MIDDLESEX
06426	ESSEX	MIDDLESEX
06442	IVORYTON	MIDDLESEX
06475	OLD SAYBROOK	MIDDLESEX
06498	WESTBROOK	MIDDLESEX
06405	BRANFORD	NEW HAVEN
06437	GUILFORD	NEW HAVEN
06443	MADISON	NEW HAVEN
06460	MILFORD	NEW HAVEN
06471	N. BRANFORD	NEW HAVEN
06472	NORTHFORD	NEW HAVEN
06477	ORANGE	NEW HAVEN
06501	NEW HAVEN	NEW HAVEN
06502	NEW HAVEN	NEW HAVEN
06503	NEW HAVEN	NEW HAVEN
06504	NEW HAVEN	NEW HAVEN
06505	NEW HAVEN	NEW HAVEN
06506	NEW HAVEN	NEW HAVEN
06507	NEW HAVEN	NEW HAVEN
06508	NEW HAVEN	NEW HAVEN
06509	NEW HAVEN	NEW HAVEN
06510	NEW HAVEN	NEW HAVEN
06511	NEW HAVEN	NEW HAVEN
06512	EAST HAVEN	NEW HAVEN
06512	NEW HAVEN	NEW HAVEN
06513	EAST HAVEN	NEW HAVEN
06513	NEW HAVEN	NEW HAVEN
06515	NEW HAVEN	NEW HAVEN
06516	WEST HAVEN	NEW HAVEN
06519	NEW HAVEN	NEW HAVEN
06520	NEW HAVEN	NEW HAVEN
06521	NEW HAVEN	NEW HAVEN
06530	NEW HAVEN	NEW HAVEN
06531	NEW HAVEN	NEW HAVEN
06532	NEW HAVEN	NEW HAVEN
06533	NEW HAVEN	NEW HAVEN
06534	NEW HAVEN	NEW HAVEN
06535	NEW HAVEN	NEW HAVEN
06536	NEW HAVEN	NEW HAVEN
06537	NEW HAVEN	NEW HAVEN
06538	NEW HAVEN	NEW HAVEN
06540	NEW HAVEN	NEW HAVEN

Zip	City	County
06320	NEW LONDON	NEW LONDON
06333	EAST LYME	NEW LONDON
06335	GALES FERRY	NEW LONDON
06339	GALES FERRY	NEW LONDON
06339	LEDYARD	NEW LONDON
06340	GROTON	NEW LONDON
06349	GROTON	NEW LONDON
06355	MYSTIC	NEW LONDON
06357	NIANTIC	NEW LONDON
06359	N. STONINGTON	NEW LONDON
06371	LYME	NEW LONDON
06371	OLD LYME	NEW LONDON
06372	OLD MYSTIC	NEW LONDON
06375	QUAKER HILL	NEW LONDON
06376	SOUTH LYME	NEW LONDON
06378	STONINGTON	NEW LONDON
06379	PAWCATUCK	NEW LONDON
06385	WATERFORD	NEW LONDON
06386	WATERFORD	NEW LONDON
06388	WEST MYSTIC	NEW LONDON
06439	HADLYME	NEW LONDON

See ACIC CT HO New Business & Renewal Underwriting Guidelines for details.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

~~See CT Rating Manual for applicable factors.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~If Wind/Hail and/or Named Storm (a.k.a. Hurricane Deductible) deductibles are selected, the following appropriate endorsements shall be included in the policy packet:~~

- ~~• HC 332 CT, Windstorm or Hail Fixed Dollar Deductible~~
- ~~• HO 0312, Windstorm or Hail Percentage Deductible~~
- ~~• HC 330 CT Hurricane Percentage Deductible~~

~~If a Hurricane or Windstorm/Hail Deductible is applicable to a policy, it will be prominently displayed on the Declaration Page of the Homeowner's Policy as a percentage and its dollar equivalent. Refer to the Rating Manual for applicable deductible factors.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule C-34: UNDERWRITING EXPERIENCE Factor

Underwriting Experience (UE) is used when the Company acquires an agency book of business and is used to minimize the rate disruption for the policyholder.

The UE is applied for the number of renewals specified for the book roll or until the policy reaches its actual manual rates, whichever comes first.

~~Refer to the Rating Manual for upper and lower tolerance factors.~~

~~Note: The Middle Oak Underwriting Experience factor was applied to conversion policies starting on 05/01/15 and will remain for 5 years or until the policy reaches the actual manual rates, whichever comes first. The actual rates will apply if the policy has not reached the actual manual rates by the end of the 5th year. For policies that would experience an increase at the end of their 7th year, the cap will be extended to 9 years or until the policy reaches the actual manual rates, whichever comes first.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~TRANSITIONAL RATE CAP FACTORS~~

~~A Transitional Rate Cap Factor is used to moderate a given rate filing impact for renewal policies and create a gradual transition to calculated rates. In order to minimize rate disruption for these policyholders, the renewing policies will receive the Transitional Rate Cap Factor.~~

~~The Transitional Rate Cap Factor was applied on 9/27/2010 and will remain for 3 renewals or until the policy reaches the actual calculated rates, whichever comes first. The actual rates apply if the policy has not reached the calculated rates by the 4th renewal.~~

~~Refer to the Rating Manual for upper and lower tolerance factors.~~

~~**Note:** The Transitional Rate Cap Factor was used with the conversion to GEAR. The 3rd annual renewal for the book was 9/27/13, thus this factor no longer applies.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

ENDORSEMENTS

ACIC Endorsements

The following endorsements will be added as either optional endorsements for a premium or as mandatory endorsements automatically attached to policy. Please refer to the rate pages for pricing information.

The following Mandatory Endorsements are attached to all policies:

Mandatory Forms	Form Number	Form Title
Mandatory	HC-01-06	Special Provisions—Connecticut
Mandatory	HO-04-13	Sections I And II Exclusions For Computer-Related Damage Or Injury
Mandatory, HO-00-04 & HO-00-06 (with HO-05-24, HO-17-31, HO-17-32)	HO-04-76	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage—Connecticut Section I—\$10,000, Section II—\$50,000
Mandatory, HO-00-03	HO-04-75	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage—Connecticut Section I—\$10,000, Section II—\$50,000
Mandatory, HO-00-04 & HO-00-06 (without HO-05-24, HO-17-31, HO-17-32)	HO-04-74	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage—Connecticut Section I—\$10,000, Section II—\$50,000
Mandatory	HO-04-96	No Section II—Liability Coverages For Home Day Care Business Limited Section I—Property Coverages For Home Day Care Business
Mandatory, HO-00-04, HO-00-06	HO-16-09	Water Exclusion Endorsement
Mandatory, HO-00-03	HO-16-10	Water Exclusion Endorsement

PART D – MANDATORY COVERAGES AND ENDORSEMENTS

Rule D-1: Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (HO 04 74, HO 04 75, HO 04 76)

An applicable Limited Fungi, Wet or Dry Rot or Bacteria Coverage Endorsement is a mandatory form (HO 04 75 for HO 00 03, HO 04 76 for HO 00 04 & HO 00 06 with HO 05 24, HO 17 31 or HO 17 32, and HO 04 74 for HO 00 04 & HO 00 06 without HO 05 24, HO 17 31 or HO 17 32) The limited amounts of insurance automatically provided are as follows:

Section I – Property: \$10,000 to pay for loss and associated costs to covered real or personal property, owned by an insured, which is damaged by fungi or wet or dry rot, or bacteria on the

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

residence premises as defined in the coverage endorsements. This coverage applies only to the policy period in which the loss or costs occur.

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

Rule D-2: Sections I and II Exclusions for Computer-Related Damage or Injury (HO 04 13)

When the policy covers an insured's permitted business occupancies, coverage for loss caused by, resulting from, or arising out of the failure of computers to properly recognize any date or time are excluded under Section I. Refer to the endorsement for applicable coverages and exclusions.

Rule D-3: No Section II - Liability Coverages For Home Day Care Business Limited Section I - Property Coverages For Home Day Care Business (HO 04 96)

This mandatory endorsement excludes Section II Liability coverage for a home day care which is a "business." Section I coverage, under Coverage C – Special Limits of Liability for "business" property is limited to \$2500 on the residence premises and \$500 away from the residence premises. Refer to the endorsement for applicable coverages and exclusions.

Rule D-4: Water Exclusion Endorsement (HO 16 09, HO 1610)

This mandatory endorsement (HO 16 09 for HO 00 04 & HO 00 06, HO 16 10 for HO 00 03) excludes coverage for Water Damage which backs up through sewers or drains, or overflows from a sump pump or sump pump-related equipment. Optional coverage can be purchased under endorsement HC095CT Limited Water Back-Up and Sump Discharge or Overflow Coverage. Refer to the endorsement for applicable coverages and exclusions

Rule D-5: Special Provisions – Connecticut (HC 01 06 CT)

The Special Provisions endorsement is a mandatory form that will be attached to all policies. This form modifies definitions, coverages, exclusions and conditions to conform to specific requirements in the State of Connecticut Refer to the endorsement for applicable coverages and exclusions.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~The following are Optional Endorsements:~~

PART E – COVERAGE ENHANCEMENT PACKAGES

Rule E-1: MAPFRE Advantage Plus (HO471CW)

All policy types are eligible for the Advantage Endorsement. Please refer to the Rate Manual for the annual premium for this endorsement. The endorsement provides a variety of coverages, including but not limited to:

- Increases certain Special Limits of Liability
- Amends coverage for Trees, Shrubs and Other Plants and Fire Department Surcharge
- Adds additional coverages for Pet Recovery Expense, Lock Replacement Coverage, and Reward Coverage

Rule E-2: MAPFRE Elite Plus (HO472CW)

All policy types are eligible for the Advantage Endorsement. Please refer to the Rate Manual for the annual premium for this endorsement. The endorsement provides a variety of coverages, including but not limited to:

- Increases certain Special Limits of Liability
- Amends coverage for Trees, Shrubs and Other Plants, Grave Markers, and Fire Department Surcharge
- Adds additional coverages for Pet Recovery Expense, Lock Replacement Coverage, and Reward Coverage.

PART H – PERSONAL UMBRELLA COVERAGE

Rule H-1: Personal Umbrella Endorsement (HC_628 CT)

This endorsement provides coverage in excess of the liability limits provided by the primary (underlying) automobile and primary (underlying) homeowner policies. Coverage limits are designed to become effective when the underlying limits are exhausted.

This endorsement may cover exposures up to the coverage limits specific to the policy for the following:

- Protection for claims of personal injury or property damage caused by the named insured or member of family/household;
- Hazards on the property which the insured is ruled liable for;
- Personal liability incidents on or off property owned or rented by the insured;
- Additional protection above the basic auto policy for auto-related liability;

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

- Protection against non-business related personal injury claims such as slander, libel, wrongful eviction and false arrest and legal defense cost for a covered loss including attorney fees and associated court costs.

Available for all policy forms.

~~Homemaster Plus Endorsement (ML500)~~

~~Coverage is available to HO-0003, HO-0004 and HO-0006 policyholders for this package endorsement and includes a variety of coverages. Refer to the specific endorsement, ML500, for all applicable coverages. No longer available for new business on or after 12/09/12.~~

~~Homemaster Plus Endorsement (HC501)~~

~~Coverage is available to HO-0003, HO-0004 and HO-0006 policyholders for this package endorsement and includes a variety of coverages. Refer to the specific endorsement, HC501, for all applicable coverages. Available on or after 12/9/12.~~

~~Homemaster Elite Endorsement (ML700)~~

~~Coverage is available to HO-0003, HO-0004 and HO-0006 policyholders for this package endorsement and includes a variety of coverages. Refer to the specific endorsement, ML700, for all applicable coverages. No longer available for new business on or after 12/09/12.~~

~~Homemaster Elite Endorsement (HC701)~~

~~Coverage is available to HO-0003, HO-0004 and HO-0006 policyholders for this package endorsement and includes a variety of coverages. Refer to the specific endorsement, HC701, for all applicable coverages. Available on or after 12/9/12.~~

~~Loyalty Home Assurance Endorsement (HC901)~~

~~Coverage is available to eligible HO-0003 policyholders. This package endorsement includes a variety of coverages. Refer to the specific endorsement, HC901, for all applicable coverages.~~

~~Prestige Home Endorsement (HC902)~~

~~Coverage is available to eligible HO-0003 policies effective on or after 4/21/20. The package endorsement includes a variety of coverages. Refer to the specific endorsement, HC902, for all applicable coverages.~~

Rule E-3: Home Systems Protection and Service Line Coverage

~~The Home Systems Protection and Service Line Coverage Endorsements provide coverage for the breakdown of equipment associated with major home systems or repair for the breakage of service lines running to or from your home. These coverages are included in the Prestige Home Endorsement, Homemaster Elite Endorsement, and Loyalty Home Assurance Endorsement at no additional charge.~~

Home Systems Protection – (HSP400CT):

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Coverage is provided for HO 00 03 or HO 00 06 policies for equipment breakdown on a wide range of critical systems due to covered losses. Critical systems include, but may not be limited to:

- Heating and air systems
- Ventilation systems and fans
- Electrical panels
- Built in pool and spa equipment
- Well pumps
- Central vacuums
- Chair lifts and elevators
- Built in backup-up electric generators
- Permanently-installed appliances

Service Line Coverage: - (SLC400CT)

Coverage is provided for HO 00 03 policies for the failure of exterior and underground service lines due to covered losses. Examples of service lines include, but may not be limited to:

- Water
- Sewer
- Electrical

The Home Systems Protection and Service Line coverages are available when any of the following endorsements or any combination of these endorsements are included on the policy:

- Personal Property Replacement Cost Loss Settlement (HO 04 90)
- MAPFRE Elite Plus (HO472CW)
- Ordinance or Law (HO 04 77)
- Credit Card, Electric Fund Transfer Card or Access Device, Forgery and Counterfeit Money (HO 04 53)
- Refrigerated Property (HC0498 CT),
- Limited Water Back-Up and Sump Discharge Overflow (HC095 CT)
- Identity Fraud Expense (HC455CT)
- Personal Injury Coverages (HO 24 79)

Limits for Home Systems Protection and Service Line Coverages are \$50,000 and \$10,000 respectively. A \$500 deductible applies under both coverages. Please refer to the Rate Manual for pricing.

•

PART G – ADDITIONAL OPTIONAL COVERAGES AND LIMITS

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule G-26: Theft of Building Materials (F827 CT)

This endorsement covers the theft and the attempted theft of lumber, materials, supplies, furniture, fixtures, and equipment on the insured premises which will constitute or does constitute a permanent part of the dwelling and other structures. The limit of liability is \$10,000.

Available for HO 00 03 and HO 00 06 policy forms.

Windstorm or Hail Percentage Deductible (HO0312)

~~When this endorsement is attached to the policy, no other deductibles apply to the peril of windstorm or hail.~~

~~This endorsement is optional and can be used with homeowners form type HO3 only.~~

Rule G-3: Additional Interests – Residence Premises (HO_04_10)

This endorsement provides a way to acknowledge a party that has an interest in the residence premises other than that of a mortgagee, ~~when the additional insured (HO0441) endorsement is not appropriate.~~

If the policy is canceled or nonrenewed, the persons or organizations listed in the schedule are notified in writing. Although this endorsement does entitle the listed party to a copy of this notice, it does not make them an insured under the policy, unlike the Additional Insured Endorsement (HO 04 41).

Available for all policy forms.

Rule G-13: Increased Limits on Business Property (HO_04_12)

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions. The \$2,500 limit of liability on the residence premises may be increased to \$10,000 in increments of \$2,500.

Available for all policy forms.

Rule G-8: Computer Coverage (HO_04_14)

The policy may be endorsed to insured computers and related equipment against additional risks of physical loss subject to certain exclusions. Refer to the endorsement for applicable coverages and exclusions.

Available for all policy forms.

Rule F-8: Specified Additional Amount of Insurance for Coverage A – Dwelling (HO_04_20)

This endorsement increases the dwelling limit for an HO 00 03 policy when the loss to the building insured under the dwelling coverage is greater than the dwelling limit listed on the

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

declarations. Refer to the endorsement for applicable guidelines within the endorsement. The increased amount is a specified percentage amount which is shown on the declarations page. Additional amount options available are 25% and 50%. ~~A 100% option is available for eligible policies.~~

Rule G-25: Loss Assessment Coverage (HO_04_35)

~~Many homeowners may belong to an association of property owners. Although in most cases the association itself insures the common property (swimming pool, club house, etc) the coverage may be inadequate or it may be limited to only certain narrow perils. The homeowners policy automatically provides, under Section I Additional Coverage and Section II Additional Coverage, a limit of pays up to \$1,000 each for loss assessments relating to in connection with damage to the residence premises, excluding assessments resulting from the peril of earthquake, subject to various limitations. This endorsement allows this amount to be increased up to \$50,000. The policy may be endorsed to provide a single additional amount of insurance up to \$50,000 to be applied to one or more assessments arising out of a single loss~~

Available for all policy forms.

Rule G-15: Earthquake Loss Assessment Coverage (HO_04_36)

This optional endorsement is used to provide coverage for an insured's share of an assessment made by his or her homeowners or condominium for loss caused by earthquake and charged against insured as owner or tenant.

Available for all policy forms.

Rule F-10: Structures Rented to Others – Residence Premises (HO_04_40)

This optional endorsement is used to provide property and liability coverage for a specifically scheduled related private structure that is rented or held for rental to others. Scheduled structures are covered for loss caused by a peril insured against that applies to Coverage B.

Available for all policy forms.

Rule G-1: Additional Insured – Residence Premises (HO_04_41)

This endorsement is used to name the person or organization shown in the endorsement schedule as an additional insured with respect to the dwelling, other structures, personal liability, and medical payments to others. The person or organization must be listed on the endorsement schedule. If the policy is canceled or non-renewed by the insurer, the person(s) or organization(s) is notified in writing.

Available for all policy forms.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule G-20: Permitted Incidental Occupancies, - Residence Premises (HO_04_42)

This optional endorsement is used to provide personal property and premises liability coverage for the increased exposure arising from a permitted incidental occupancy on the residence premises. The endorsement schedule allows a limit and description of other structures (if not in main dwelling) to be listed. Examples of these types of occupancies include offices, schools, and studios.

Available for all policy forms.

Rule G-23: Replacement Cost Loss Settlement for Certain Non-Building Structures On The Residence Premises (HO_04_43)

The homeowners policy only pays actual cash value for any losses to non-building structures such as walls, patios, decks, and walkways. The rationale is that since these types of structures are outside, they are subject to rapid deterioration and thus, are less favorable for insurers to cover on a replacement cost basis. However, many of these types of property can successfully resist the elements for many years and retain their original condition for an extended period of time. With the attachment of this endorsement, coverage for these structures applies on a replacement cost basis.

In this endorsement, available for HO 00 03 policy forms, the following types of properties, which are not always subject to rapid depreciation, are covered on a replacement cost basis.

- Reinforced-masonry walls
- Metal or fiberglass fences
- Fences made of plastic/resin materials such as polyvinyl chloride
- Patios and walks (not made of wood)
- Driveways

The endorsement does not increase the applicable limit of insurance, which is the limit shown for Coverage B (other structures) in the declarations. ~~However, it might be wise to recheck the other structures limit to verify that it is adequate for the replacement of these properties.~~

Other Structures on the Residence Premises—Increased Limits (HO0448)

~~The homeowners policy provides for 10% of the dwelling limit to apply to other structures. This endorsement allows up to three other structures to be added to the policy. A description and value of each structure is needed to add the item.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule G-5: Building Additions and Alterations – Increased Limit (HO_04_51)

The ~~unendorsed Renters policy (HO_00_04)~~ provides building additions and alterations coverage ~~for a tenant for up to limit of~~ 10% of the ~~personal property Coverage C~~ limit can be increased with this optional endorsement. This endorsement allows the increase in this limit.

Please refer to the Rate Manual for the premium per \$1,000 of insurance.

Rle G-28: Valuable Possessions Coverage Endorsement (HC 885)

This endorsement provides expanded blanket coverage on specific types of personal property. This endorsement affords coverage for seven types of property with specified exceptions. This broadened blanket coverage provides insureds greater protection for their valuable items. The following types of property can be scheduled:

- Jewelry
- Fine Arts
- Fur
- Silverware
- Cameras
- Musical Instruments
- ~~Guns~~Firearms

Special Limits of Liability: The most we will pay in any one occurrence for loss of an item is as follows:

- Silverware, Jewelry, Fine Arts, or Fur is \$10,000 per item
- Camera, Gun, or Musical Instrument is \$1,000 per item

Available for all policy forms.

Rule G-17: Livestock Collision Coverage (HO_04_52)

This coverage is intended when there is an incidental exposure to the death of farm animals and is intended for one who farms primarily for pleasure and not profit. The homeowners policy provides no coverage for livestock collision unless this endorsement is attached. Livestock is defined as cattle, sheep, swine, goats, horses, mules, and donkeys.

Available for all policy forms.

Rule G-7: Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money Coverage – Increased Limit (HO_04_53)

The homeowners policy has a \$500 limitation on a loss from the fraudulent use of a credit card or electronic fund transfer card or access device, check forgery, and acceptance of counterfeit money. The limit may be increased to the following amounts: \$1000, \$2500, \$5000, \$7500 or \$10000.

Available for all policy forms.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule G-10: Earthquake Coverage (HO_04_54)

This optional endorsement is used to provide coverage for property covered under Coverages A, B, and C for loss caused by earthquake. Coverage for loss to masonry veneer is excluded, however, the exclusion can be deleted for additional premium. Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% are available.

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

Available for all policy forms.

Rule G-12: Identity Fraud Expense Coverage (HC455_CT)

Identity Fraud Expense Coverage is an optional endorsement available for purchase on HO_00_03, HO_00_04, or HO_00_06 policies. Coverage includes up to \$15,000 for expenses incurred as a direct result of any one identity fraud. A special deductible of \$250 applies.

Rule F-9: Special Loss Settlement (HO_04_56)

The unendorsed ~~homeowners~~ HO_00_03 policy stipulates that if, at the time of the loss, the limit of insurance on the damaged building is 80% or greater of the full replacement cost of the building just before the loss, the insurer will pay the cost to repair or replace the property, after applying the deductible and without deduction for depreciation. If the named insured purchases limits below this 80% amount, he will suffer a coinsurance penalty. This endorsement can be used to decrease this 80% coinsurance requirement. This is often needed when the replacement cost of the home greatly exceeds its market value and the insurer does not want to write the policy for the 80% or greater figure. This endorsement allows for a 50%, 60%, or 70% coinsurance requirement. The selected percentage is shown in the declarations page.

Rule G-24: Scheduled Personal Property (HO_461 CW)

This endorsement provides expanded coverage for the following types of property, with specified exceptions, and provides insureds greater protection for their valuable items. The category of Fine Arts is settled on an Agreed Value basis. Also, for an additional premium, a customer has the option to schedule specific jewelry on an Agreed Value basis.

- Jewelry
- Agreed Value Jewelry
- Furs and garments
- Cameras and related items
- Musical instruments and related items
- Silverware and related items

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

- Golfer's equipment
- Fine Arts (Breakage is also available)
- Postage stamps
- Rare and current coins
- ~~Guns~~Firearms
- Personal Effects

Available for all policy forms.

Rule G-9: Coverage C Increased Special Limits of Liability (HO 04 65, HO 04 66)

This optional endorsement is used to increase the special limits that apply to the money, securities, jewelry, silverware, and firearms classes of personal property. (HO 04 66 for HO 00 03 with HC15, for HO 00 04 with HO 05 24 & for HO 00 06 with HO 17 31. HO 04 65 for HO 00 03 without HC15, for HO 00 04 without HO 05 24 & for HO 00 06 without HO 17 31)

INCREASED LIMITS ALLOWED		
Personal Property	Limit In Base Form	Maximum Limit Allowed
Money	\$200	\$1,000
Securities	\$1,500	\$5,000
Jewelry, watches, and furs	\$1,500	\$10,000
Firearms	\$2,500	\$6,500
Silverware, goldware, and pewterware	\$2,500	\$10,000
Electronic Apparatus	\$1,500	\$10,000

~~Coverage C Increased Special Limits of Liability (HO0466) — to be used with Form HO0004 that also has endorsement HO0524, Form HO0006 that also has endorsement HO1731, and Form HO0003 that also has endorsement ML700 or HC701.~~

~~*Note: without the companion endorsement noted above, the HO0465 should be used.~~

~~This optional endorsement is used to increase the special limits that apply to the money, securities, jewelry, silverware, and firearms classes of personal property.~~

INCREASED LIMITS ALLOWED		
Personal Property	Limit In-Base Form	Maximum Limit Allowed
Money	\$200	\$1,000
Securities	\$1,500	\$5,000
Jewelry, watches, and furs (loss by theft, misplacing, or losing)	\$1,500	\$10,000

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Firearms (loss by theft, misplacing, or losing)	\$2,500	\$6,500
Silverware, goldware, and pewterware (loss by theft, misplacing, or losing)	\$2,500	\$10,000
Electronic Apparatus	\$1,500	\$10,000

Rule G-18: Ordinance Or Law Increased Amount of Coverage (HO_04_77)

~~Governmental jurisdictions will frequently implement laws or building codes that concern the rebuilding of a damaged structure. For example, a house built 50 years ago may not meet the building codes in place today. The homeowners policy provides coverage for these additional costs that the named insured might face; however, this is limited to 10% of the dwelling amount. The 10% can be increased up to 25% or 50% with this endorsement. Options of 75% and 100% are available for eligible policies.~~

The policy automatically provides up to 10% of the Coverage A for HO 00 03 and HO 00 06 (or 10% of Additions/Alterations for HO 00 04) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. With the Ordinance or Law Endorsement, an HO 00 03 or HO 00 06 policy can be endorsed up to 50% of Coverage A, and an HO 00 04 can be endorsed up to 50% of Additions/Alterations

Rule F-4: Personal Property Replacement Cost Loss Settlement (HO_04_90)

This optional endorsement is used to change the loss settlement terms that apply to Coverage C; to appliances, window air conditioners, carpets, window coverings, awnings, canopies, antennas; and if covered by the policy, to certain classes of scheduled personal property from actual cash value to replacement cost.

Available for all Policy Forms.

Water Back-Up And Sump Discharge or Overflow (HO0495)

~~This optional endorsement provides coverage for direct physical loss to covered property caused by water or sewage that backs up through sewers or drains, or that overflows a sump pump or similar system. The endorsement provides a \$5,000 limit of liability subject to a \$250 deductible. No other deductible option is available. No longer available for new business on or after 12/09/12.~~

Rule G-16: Water Back-Up And Sump Discharge or Overflow (HC 095 CT)

This optional endorsement provides coverage for direct physical loss to covered property caused by water or sewage that backs up through sewers or drains, or that overflows a sump pump or similar system. The endorsement provides up to \$50,000 limits of liability subject to a \$500 deductible. No other deductible option is available.

Available for all policy forms.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

~~Refrigerated Property Coverage (HO0498)~~

~~The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure. A \$100 deductible applies. No longer available for New or Renewal Business on or after 3/25/14.~~

Rule G-22: Refrigerated Property Coverage (HC_04_98_CT)

The policy may be endorsed to provide \$250 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure. No deductible applies to this coverage. ~~Available on or after 3/25/14.~~

Available for all policy forms.

Rule F-7: Special Personal Property Coverage (HO_05_24) —use with Form HO0004 only

This endorsement provides all risks coverage on personal property covered under the Renters HO_00_04 policy. Without this endorsement, the policy covers personal property on a named perils basis.

Rule G-2: Additional Insured – Student Living Away From the Residence Premises (HO_05_27)

~~This endorsement extends the definition of an insured to include nonresident students, listed in the schedule, under certain situations. This gives the named insured more flexibility, particularly when it comes to older students. Under the unendorsed homeowners form, only a nonresident student under 24 who is a relative of the named insured and who is enrolled in school full-time would be considered an insured under the homeowners policy, provided he was a resident of the household before moving out to attend school. The form also stipulates that only a nonresident student under 21 who is in the care of a resident relative and who is enrolled in school full-time would be considered an insured, provided he was a resident of the household before moving out to attend school. Thus, certain older students would not qualify as insureds, unless added via this endorsement.~~

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 (e.g., part time students or students older than 24).

Please provide:

- Name and Address of Student

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

- Name of School

Available for all Policy Forms.

Rule G-11: Extended Theft Coverage for Residence Premises Occasionally Rented to Others (HO_05_41)

The policy may be endorsed to insure against loss by theft to covered property when all or part of the residence premises usually occupied by the insured is occasionally rented, in whole or in part, to others, or is regularly or occasionally rented to roomers or boarders. An additional premium will be charged. There are exclusions, notably with regard to loss caused by a tenant and loss of jewelry, furs, stamps, money, silverware, gold ware and pewter ware.

Available for all Policy Forms.

Rule F-12: Unit-Owners Coverage C Special Coverage (HO_17_31)

This endorsement, applicable only to the HO 00 06 form, expands personal property coverage from named perils to open perils. This endorsement provides all risks coverage on personal property covered under the condo HO_00_06 policy. Without this endorsement, the policy covers personal property on a named perils basis.

Rule F-13: Unit-Owners Coverage A Special Coverage (HO_17_32)

The unendorsed HO_00_06 covers 16 named perils, which apply to the dwelling and personal property. This endorsement, applicable only to this form, expands the dwelling coverage from named perils to all risks; therefore, it resembles, in part, the HO_00_03 form.

Rule G-27: Unit-Owners Rental To Others (HO_17_33)

~~This endorsement, applicable only to the HO 6 form, provides coverage while the owned condominium or cooperative (residence premises) is regularly rented or held for rental to other parties. Without this endorsement, the HO 6 does not cover any property on the premises or personal liability under these circumstances, unless this endorsement is attached. Normally, this endorsement is used when the condo or unit owner rents out the entire condominium unit for a temporary period, such as for 3 months every summer, but the condo remains owner-occupied and the insured's primary residence for the remainder of the year.~~

The HO 00 06 policy provides no coverage for Coverage C - Personal Property and Section II Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including theft. This is a mandatory endorsement for HO 00 06 when the unit is tenant occupied.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule G-4: Additional Residence Rented to Others 1, 2, 3, or 4 Families (HO 24_70)

~~This optional endorsement is used to provide premises liability coverage for additional residence rented or held for rental to others. The locations to be covered must be described in the endorsement.~~

The policy may be endorsed to provide coverage when an additional 1-4 family residence is rented to others. The policy may be endorsed to extend liability coverage up to a maximum of 4 rental units. A separate charge applies to each rental unit.

Available for all Policy Forms.

Please refer to the Rate Manual for increased Coverage E and Coverage F pricing.

Rule G-6: Business Pursuits (HO 24_71)

The homeowners policy contains fairly broad business exclusions and limitations under the liability section. This endorsement expands business pursuits liability coverage, and is geared toward occupations such as sales, clerical, and instructional. Coverage does not apply to injury or damage in connection with a business owned or financially controlled by the insured or by a partnership of which the insured is a partner, nor does it apply to injury or damage arising out of the rendering or failure to render professional services other than teaching.

Available for all policy forms.

Rule G-14: Incidental Farming Personal Liability (HC 2472)

On the Residence Premises:

This optional endorsement is used 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. The income derived from the farming operations cannot be the insured's primary source of income.

INCREASED LIMITS ALLOWED							
		Coverage E					
		\$100,000	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000
Coverage F	\$1,000	\$34.12	\$50.88	\$60.94	\$67.64	\$73.24	\$112.36
	\$2,000	\$37.58	\$54.34	\$64.40	\$71.10	\$76.70	\$115.82
	\$3,000	\$41.02	\$57.78	\$67.84	\$74.54	\$80.14	\$119.26
	\$4,000	\$44.48	\$61.24	\$71.30	\$78.00	\$83.60	\$122.72
	\$5,000	\$46.78	\$63.54	\$73.60	\$80.30	\$85.90	\$125.02

Only available for HO 00 03 forms.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule G-29: Watercraft Liability (HO_24_75)

The homeowners policy places liability limitations and exclusions on certain types of watercraft. It excludes liability coverage for (a) boats with outboard engines that have more than 25 total horsepower, (b) boats with inboard or inboard-outboard engines with more than 50 horsepower, or (c) sailing vessels 26 feet or longer. This endorsement expands personal liability and medical payments coverage to watercraft such as these specified in the endorsement schedule.

Available for all policy forms.

Rule G-21: Personal Injury (HO_24_79)

The homeowners policy liability section covers only "bodily injury" and "property damage". Thus, any type of non-bodily injury such as personal injury is excluded, without the attachment of this endorsement. This optional endorsement is used to extend the Section II Personal Liability limit ~~liability coverages~~ to pay for damages for which an insured is liable by law because of personal injury, which is defined as false arrest, false imprisonment, wrongful eviction, wrongful entry, wrongful detention, malicious prosecution, misrepresentation, libel, slander, defamation of character, or invasion of privacy.

Available for all policy forms.

Mobilehome Endorsement (MHO401)

~~This optional endorsement is used to explain the changes in provisions provided by the HO-3 when a Construction Type of Manufactured is selected. This endorsement is non-premium bearing and applies to eligible policies.~~

Property Remediation For Escaped Liquid Fuel (HC0580)

~~This optional endorsement is available to eligible HO-3 policies and is used to provide \$10,000 for Section I—Property Remediation For Escaped Fuel Coverage. Refer to HO-00-03 endorsement for coverage to Section II—Limited Lead And Escaped Fuel Liability Coverage.~~

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule F-6: Special Personal Property Coverage (HC_-15)

~~*applies to Form HO-0003 only~~

This ~~optional~~ endorsement may be purchased under the Homeowners HO 00 03 policy to insure Coverage C against additional risks of physical loss subject to certain exclusions.

Note: This endorsement cannot be written with: ~~any of the following: HC701, ML700, HO_-04_56_~~

~~The following increase coverage options do not have an endorsement:~~

PART F – COVERAGE A, B, C, D, E – OPTIONAL COVERAGES AND LIMITS

Rule F-1: Coverage C – Personal Property Increased Limits for Personal Property (Coverage C) & Loss of Use (Coverage D)

~~The Personal Property and Loss of Use limits shown on the declarations page may be increased for an additional premium. Rates are shown in the rating manual. Underwriting restrictions are shown in the Underwriting Guidelines.~~

Increased or Decreased Limits

1. **Increased Limit** - Form HO 00 03. The limit of liability for Coverage C may be increased.
2. **Reduction in Limit** - Form HO 00 03. The limit of liability for Coverage C may be reduced to 40% of the Coverage A limit. The limit of liability for Coverage C can be reduced to 50% of the Coverage A limit if the HO 04 90 is on the policy.

Please refer to the Rate Manual for pricing

Rule F-2: Coverage D – Loss of Use – Increased Limits

All forms are eligible for increased Coverage D limits.

Please refer to the Rate Manual for pricing.

Rule G-19: Other Insured Locations Occupied by the Insured

Additional Residence

~~For an additional premium, an additional residence occupied by the named insured may be added for liability.~~

Section II Coverage may be extended to other residence premises occupied by the insured, but which are insured for Section I Coverage under another insurance policy or by another company. The charge for extending Section II Coverage to additional locations occupied by the insured will be based on the number of family units.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the Secondary Residence Liability Credit will apply.

Available for all policy forms.

Rule F-3: Guaranteed Replacement Cost Coverage (Dwelling) – (HO470CT)

Loss settlement for buildings insured under Coverage A-Dwelling is provided on a replacement cost basis without deduction for depreciation if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

An HO 00 03 policy may be endorsed to provide additional insurance for Coverage A-Dwelling, only when loss to property insured under Coverage A - Dwelling exceeds the limit of liability shown in the policy declarations. The additional amount cannot be applied to any other coverage, nor does it increase the Coverage A-Dwelling limit. When this endorsement is selected, the Coverage A-Dwelling limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage A-Dwelling at policy inception or at the time the endorsement is added to the policy.

The Guaranteed Replacement Cost Coverage endorsement provides unlimited Dwelling replacement cost coverage under Coverage A. It is available on an HO 00 03 policy form.

The annual charge for this endorsement may be found in the Rate Manual. To qualify, the risk must meet the following underwriting requirements:

1. Home built 1940 or later.*
2. The dwelling must be insured to 100% of replacement cost and a copy of the Home Value Guide must accompany the policy**.
3. The dwelling must be a one (1) family, owner occupied, primary residence.
4. Coverage A limits between \$350,000 to \$1.25 million.

*Dwellings with non-standard construction (i.e. custom construction with ornate design characteristics) should be referred to your Underwriter.

** Dwelling may not be evaluated using the Standard/Vintage Calculation method.

Note: This endorsement may not be written with HO 04 20 (Specified Additional Amount of Insurance for Coverage A).

Rule F-5: Section II – Basic and Increased Limits

The limit of Liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) may be increased or coverage for additional exposures may be provided. The same limits must apply to all exposures.

Available for all policy forms.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Residence Premises: Please refer to the Rate Manual for Basic and Increased Limits pricing.

Rule F-11: Unit Owners Coverage A – Basic and Increased Limits

1. \$5,000 Coverage A is provided at no additional charge.
2. The Coverage A limit may be increased for an HO 00 06 policy. Enter the total Coverage A limit on the application. The premium is developed based on the additional limit of insurance. Please refer to the Rate Manual for each additional \$1,000 of limits.

Rule C-35: MINIMUM PREMIUM

A ~~M~~minimum annual property premiums shall be charged for ~~apply to~~ each policy. ~~The minimum premiums vary depending on policy type and coverage.~~ The minimum premium is based on the initial Peril Premium as noted in the Rate Order of Calculation included in the Rate Manual.

Minimum Premiums are shown in the Rating Manual. Please refer to the Rate Manual to determine the annual minimum premium amount

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

PART I – PAY PLANS AND FEES

Rule I-1: Summary of Pay Plans

BILLINGS AND FEES

~~Customers have the option of choosing from several payment plans.~~

PAYMENT PLANS	DESCRIPTION
Payment In Full	100% of the policy term premium is due at inception for new business and by the renewal date for renewal business. All renewal offers for payment plans that are not EFT will be offered the Paid in Full premium and payment as well as the minimum amount due.
Monthly	12.5% of the policy term premium is due at inception for new business and by the renewal date for renewal business. Equal monthly payments of 8.75% are due for the duration of the policy term. The payments are due on the 30 th , 60 th , 90 th , 120 th , 150 th , 180 th , 210 th , 240 th , 270 th , and 300 th policy days.
Annual two-pay	The policy premium is divided into two equal payments of 50%. The first payment is due at inception/renewal with the second installment is due 182 days after the effective date of policy inception/renewal.
Annual four-pay	The policy premium is divided into four equal payments of 25%. The first payment is due at inception/renewal with subsequent payments due 91 days, 182 days, and 273 days of the policy.

~~*Pay Plan Codes that begin with EF refer to electronic funds transfers (EFT)~~

Rule I-2: Summary of Fees

Fees

Fee Type	Description
Non-sufficient funds (NSF) fee	<p>All policies will be null and void if the original payment is returned due to non-sufficient funds.</p> <p>After the first policy payment is made, the Non Sufficient Funds \$25 fee will apply for each check or EFT transaction returned to the company for non-sufficient funds. This fee will be triggered by the billing code.</p>

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

	A cancellation notice will be sent when the check is returned to the company. To avoid cancellation the insured must pay the original payment amount plus the fee.
--	--

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Installment fees (EFT)	Installment fees of \$1.00 are applied to EFT payment plans.
Fee Type Cont.	Description Cont.
Installment fees (Non-EFT)	Installment Fee of \$8.00 is applied to Non-EFT payment plans.
Cancel Fee	A \$25 cancel fee will be applied to policies when the payment due by the due date of the invoice is not received, resulting in a cancellation notice. The Cancel fee will not be assessed if the pending cancel is a result of a returned payment and the policy was assessed an NSF fee.

Note: Pay Plan Codes that begin with EF refer to electronic funds transfers (EFT)

**American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual**

PART B – GENERAL RULES

Rule B-1: CHANGE OF RESIDENCE PREMISES

Any change of residence premises will require the cancellation of the existing policy and a new application to be submitted. The only exception is when a tenant (HO4) moves to a new rental location. ~~An endorsement should be submitted to amend the residence premises address. Any change in risk such as new roommates, pets, or other factors that may affect should be verified. Submit a new inventory list if the personal property amount changes.~~

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule B-2: Small Premium Adjustments~~CHANGE GUIDELINES~~

~~**Small Premium Adjustments**~~—When a change or cancellation results in an additional or return premium of \$5 or less, no charge or return will be made. However, if any future bill is mailed the named insured, the balance due will reflect a charge or a credit for any small premium adjustments of \$5 or less. The named insured has the right to all return premiums. Refunds of \$5 or less will be made if specifically requested by the name insured.

American Commerce Insurance Company

Connecticut Homeowners Program

Rules Manual

Rule B-3: CANCELLATIONS

Policies may be cancelled or non-renewal by the company only in compliance with applicable statutes and regulations. Underwriting Guidelines are the basis for which risks are declined prior to issuance and for cancellations within the first 60 days.

1. The insured may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect. The notice will state that the insured may avoid cancellation and continue coverage under this policy by paying the unpaid premium before the effective date of cancellation.
2. The company may cancel this policy only for the reasons stated below by letting the insured know in writing of the date cancellation takes effect. This cancellation notice, stating the reasons for cancellation, may be delivered to the insured, or mailed to the insured at their mailing address shown in the Declarations by registered mail, certified mail or United States Postal Service certificate of mailing. The notice will state that excess premium (if not tendered) will be refunded on demand.
 - a. When the insured has not paid the premium, the company may cancel at any time by letting the insured know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, the company may cancel by letting the insured know at least 30 days before the date cancellation takes effect.
 - c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, the company may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (2) If the risk has changed substantially since the policy was issued.This can be done by letting the insured know at least 30 days before the date cancellation takes effect.
 - d. When this policy is written for a period of more than one year, the company may cancel for any reason at anniversary by letting the insured know at least 30 days before the date cancellation takes effect.
3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, the will refund it within a reasonable time after the date cancellation takes effect.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule B-4: NON-RENEWALS

When a policy is cancelled or non-renewed by the company or by the insured, the return premium is calculated on a pro-rata basis.

The company may elect not to renew a policy and may do so by letting the insured know in writing at least 60 days before the expiration date of this policy. The written notice, stating the reasons for nonrenewal, may be delivered to the insured, or mailed to the insured at their mailing address shown in the Declarations by registered mail, certified mail or United States Postal Service certificate of mailing.

American Commerce Insurance Company
Connecticut Homeowners Program
Rules Manual

Rule B-8: Coverage Limit Factors~~**INFLATION ADJUSTMENT**~~

~~An inflation guard factor is applied to Coverage A for all HO3 policies at renewal. A minimum of 100% of the estimated replacement cost using the Marshall Swift Boeckh (MSB) replacement cost calculator is required when determining the Coverage A limit, unless the Special Loss Settlement endorsement, HO0456, is attached to the policy. At renewal, an inflation guard factor is applied to Coverage A for all HO 00 03 policies at renewal.~~ The inflation guard factors are the quarterly residence index cost factors published by the Marshall & Swift/Boeckh Company. Maximum inflation factors are capped at 8%.