



MOBILE HOME SELECTION GUIDELINES

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MOBILE HOME SELECTION GUIDELINES

Overview

Availability

Farmers Mutual writes Fire and Allied Lines on both owner and tenant occupied mobile homes. Coverage is available for seasonal dwellings if we write the insured's principal residence premises.

Property Coverages

The standard policies provide fire & lightning, extended coverage, vandalism and malicious mischief. Vandalism is not written on seasonal dwellings, and policies providing fire and lightning coverage only are not available.

Liability Coverages (Optional)

Comprehensive Personal Liability (CPL) is available for owner occupied homes and Owners Landlords and Tenants Liability (OL&T) is offered on tenant occupied risks. Both are written as riders or liability couplers on the fire policies.

Underwriting Requirements - Fire and Allied Coverage's

A. All Mobile Homes

1. **Location.** Homes must be located on a lot or on acreage owned by the insured, or in a mobile home subdivision (lot – at least half acre in size). The home must be visible from the street or road and at least one other residence. **Not Acceptable.** Homes located in mobile home parks.
2. **Age.** Maximum of 25 years old.
3. **Minimum Policy Amount.** \$10,000.00.
4. **Foundation or Tie Downs.** Homes must be located on a permanent foundation or be anchored and tied down.

5. **Heat Source.** Homes principally heated by wood or coal stoves are not acceptable. Homes with stoves used for supplemental heating should be submitted for prior approval.
6. **Previous Cancellations.** Insured's who have been cancelled, non-renewed or refused insurance on the subject mobile home or any other dwelling should be submitted with details for prior underwriting approval.
7. **Previous Losses.** Any applicant reporting more than one loss or any loss with damages over \$500.00 in the previous ten years should be submitted for prior approval. The prior loss question applies to both the subject dwelling, and any other dwelling owned by the applicant.
8. **Condition.** All mobile homes must be in good condition and exhibit pride of ownership regardless of age.
9. **Values.** The approach we use in valuing mobile homes is similar to the approach used in valuing other dwellings.
 - a. On new mobile homes, we use the purchase price, (excluding finance charges, transportation costs, etc.)
 - b. On used homes, we use the latest edition of The Manufactured Housing Guide of the National Automobile Dealers Association (N.A.D.A) to determine the depreciated value of older homes.
 - c. Mobile homes generally are purchased furnished from the factory. Any built in items should be insured as building rather than contents.

If you are in doubt about the value of a home, call us and we will check the guide for you Since the valued policy laws do not apply to mobile homes, it is not to the insured's advantage to over-insure a mobile home.

B. Owner - Occupied Homes

1. Mobile home must be occupied on a full time basis. All policies include a vacancy and/or unoccupancy endorsement which reduces coverage by 50% when the home is vacant over 30 days.
 - a. Used homes must be written for no less than 70% or more than 90% of their actual cash/market value.
 - b. New homes must be written for no less than 70% nor more than 95% of purchase price.

2. **Seasonal Homes.** Are acceptable if Farmers Mutual also writes the insured's principal residence premises.
 - a. They must be written for no less than 60% or more than 80 % of their actual cash/market value.
 - b. Vandalism and Malicious Mischief will not be included on seasonal home policies.
 - c. Seasonal homes rented by the day week or month are not acceptable.

C. Tenant Occupied Homes

1. Farmers Mutual must write the insured's principal residence premises or have a commitment to write it at the next policy anniversary (within 12 months).
2. Homes must be occupied by a single family unit.
3. Monthly rental income must exceed 2% of the insurance amount. (.02 X amount of insurance)
4. Homes exhibiting excessive tenant turnover (more than two occupancies in the past 12 months or 3 or more families in the past 5 years) should be submitted for prior approval.

MOBILE HOMEOWNERS PROGRAM OVERVIEW

We apply the cardinal principles of our underwriting philosophy to our mobile homeowners program:

1. Amounts of insurance are based on actual cash value, not replacement cost. We refer to the N.A.D.A. mobile home guide to determine actual cash values.
2. Policyholders must have a significant insurable interest in their mobile homes.
3. The policy is competitively priced to allow you to write the better insured and better mobile home and to increase renewal persistency.

Experience has shown us that it is as important to carefully select insured's as to properly classify and underwrite the mobile homes. Only above average policyholders will support lower than average rates. Here are some things that you should look for:

1. **Job Stability.** A significant number of years with the same employer or a career in the same trade or profession.
2. **Financial Responsibility.** Debt levels should be realistic relative to family income. This is usually reflected in a good credit rating and a significant amount of equity in the mobile home. Mortgage amounts below the actual cash value or a good percentage of value in a down payment are also indicators of a successful insured.
3. **Stability of the Family Unit.** Two or more years since the most recent change in family status.

USE OF BASIC, BROAD AND FIRE POLICY FORMS

We use policy forms to classify risks and match our exposures with proper rate levels. Many larger insurance companies accomplish this objective by having preferred, standard and substandard programs, and issuing policies through the several companies that they control.

As an agent, you want to provide each of your applicants with the best coverage package a company has to offer. But writing inappropriate business in the broad or basic programs will have negative consequences for all of us in the long run. If risks are not placed according to the guidelines, we will not be able to maintain rate levels which will allow you to attract new policyholders and retain the ones you have.

REQUIREMENTS FOR APPLICANTS

1. **Job Stability.** The applicant must have at least two continuous years of full time employment with the company or firm that he or she is presently with. Income received from sources other than in exchange for labor or services does not qualify. Examples of such income include: disability payments, aid to dependent children and social security payments. Retired property owners will be considered if they are over 60 years of age. Experience with previous employers will be taken into consideration on an exception basis.

The following exceptions may be submitted for approval:

- a. Tradesmen (plumbers, electricians, carpenters) who have been employed in their present trade for over five years.
- b. Property owners who have income from investments, rental properties or other passive sources.
- c. Self-employed individuals who have owned their own non-seasonal business for over five years.

2. **Financial Responsibility**

- a. Applicants should have no more than one mortgage against the mobile home. Applicants with more than one mortgage should be submitted for prior approval.
- b. Mortgage balances must be less than 90% of the actual cash value of the unit. Remember that the value of the land is not considered part of the insurable value.
- c. Applicants must have and maintain good credit ratings. It is our policy to perform credit checks on all applicants. Social Security numbers are required on ALL applicants and spouses.

3. **Family Unit Stability.** Applicants who have experienced a separation or divorce within the last two years should be submitted for prior approval.

4. **Property Ownership**

- a. Ownership of the acreage or lot under the mobile home is preferred, but is not a requirement.
- b. For our purposes, "ownership" means being shown on a warranty deed filed at the courthouse. Mobile homes purchased with a "wrap around mortgage", a "rent to own" contract or other special financing are not acceptable.
- c. Prior ownership of a dwelling or mobile-home is considered favorably, but is not an underwriting requirement.

Prior Approval Criteria

If an applicant reports any of the following, please submit his or her application unbound for prior approval. Provide as much detail as possible in the additional information section of the application. If you need to bind coverage immediately, contact us by phone.

1. Applicants who have had claims in the past seven years that fit the following criteria:
 - a. Any claim over \$1,000.
 - b. Any theft claim over \$500.
 - c. More than one claim in the last seven years.
2. Applicants with a prior cancellation or refusal of insurance coverage (excluding auto) in the past seven years.
3. Risks with business or office occupancies either in the mobile home or elsewhere on premises whether on a full or part time basis. Remember child care is considered a business.
4. Applicants with liens against their personal property.
5. Applicants requesting personal property schedules with limits of more than 60% of the Coverage "A" Amount of Insurance.
6. Applicants in the public eye. This includes, but is not limited to: performers, musicians, actors, politicians, law officers, firemen and career military.
7. Mobile homes occupied by more than one family unit.
8. Mobile homes located more than forty miles from agents place of business.
9. We will consider mobile homes with additions, but they must be submitted with photos, diagrams showing dimensions, and descriptions of the use of the additions.

UNACCEPTABLE RISKS

Please do not bind or submit the following:

1. Risks brokered by other agents.
2. Risks with attractive nuisances on the premises. These include wild animals as pets, sinkholes, quarries or unfenced swimming pools.
3. Risks which are occupied by roomers or boarders in addition to the insureds.
4. Mobile homes which are for sale.
5. Mobile homes which are unoccupied.
6. Mobile homes with wood or coal stoves.
7. Mobile homes in mobile home park. Remember a PARK is not the same thing as a SUBDIVISION. Lots are rented in a mobile home park. In mobile home subdivisions, residents own their own lots. To meet our guidelines, the lot in a mobile home subdivision must be at least a half acre in size.

BROAD FORM MOBILE HOMEOWNERS REQUIREMENTS
(This is an Actual Cash Value Broad Form Policy)

1. Mobile homes must be owner occupied.
2. Minimum N.A.D.A. value must be in excess of \$30,000 and the minimum insurance amount on the mobile homes must be \$30,000. Policies must be written for at least 80% - and not more than 95% of actual cash value. Remember that we use the N.A.D.A. Mobile Home Guide as the final authority for unit values. Call us if you don't have access to the guide.
3. Mobile homes must be no more than ten years old at the time the policy is written.
4. Mobile homes must be heated by a centrally ducted heating system. Manufacturer installed fireplaces are acceptable as secondary heat sources. Wood stoves are not acceptable as either primary or supplemental heat sources.
5. The unit must have a 200 amp electrical service if heated by an electric furnace or heat pump and 100 amp service if heated by gas.
6. Mobile home must be on a privately owned lot. Units in mobile home parks are not acceptable. We will consider a mobile home on a family owned farm or land. Call your underwriter for prior approval.
7. Underpinning and tie downs are required. Permanent concrete or block foundations are preferred.
8. Handrails and guardrails must be in place on all decks and steps. Handrails, guardrails, steps and decks must be substantially built and worthy of being relied on to assure the safety of visitors and guests. On newly delivered mobile homes, this requirement must be met within 60 days of the date coverage is bound.
9. Seasonal and vacation homes are not acceptable in this program.
10. Vendor's single interest (VSI) is available in both the basic and comprehensive forms. The comprehensive form includes flood and earthquake coverage. Remember that these forms cover the interest of the vendor/secured party only.
11. Farm liability may be added for agricultural exposures. Consult Page MH-9 of this manual for definitions and rating rules. Remember that Farm Employer's Liability is a mandatory coverage with the FCPL. Additional farm liability coverages are described in the AAIS rule and rate manual which follows.

BASIC FORM MOBILE HOMEOWNERS REQUIREMENTS
(This is an Actual Cash Value Basic Form Policy)

1. Mobile homes must be owner occupied.
2. Minimum insurance amount on the mobile home: \$15,000. Policies must be written for at least 80% and not more than 95% of actual cash value. This means the minimum value must be in excess of \$15,000. Remember, we use the N.A.D.A. Value Guide as the final determinant for unit values.
3. Mobile homes must be less than twenty years old at the inception of the policy to be eligible for this program.
4. Mobile homes with central “ducted” heating systems & baseboard electric heat are acceptable. Wood or coal stoves are not acceptable as either primary or supplemental heat sources.
5. Units must have a 200 amp electrical service if heated by electric furnaces or heat pumps, and 100 amp service with gas heat.
6. Mobile homes must be on privately owned lots. Units in mobile parks are not acceptable. We will consider a mobile home on a family owned farm or land. If an applicant does not own the lot, call the Company for prior approval.
7. Underpinning and tie downs are required. Permanent concrete or block foundations are preferred.
8. Handrails and guardrails must be in place on all decks and steps. Handrails, guardrails, steps and decks must be substantially built and worthy of being relied on as safety devices. On newly delivered mobile homes, this requirement must be met within 60 days of the date coverage is bound.
9. Seasonal and vacation mobile homes are not eligible.
10. Vendor’s single interest is available in both the basic and comprehensive forms. The comprehensive form includes flood and earthquake coverage. Remember that these forms cover the interest of the vendor/secured party only.
11. Farm liability is an optional coverage. See Page MH-26 of this manual for definitions and rating rules. Remember that Farm Employer’s Liability is a mandatory coverage with the FCPL.

LIABILITY COVERAGE GUIDELINES

1. The Comprehensive Personal Liability provided by the policy includes a premises limitation. In order to offer the "owners' form, coverage is limited to areas within 200 feet of the mobile home. Business pursuits, including farming, are specifically excluded. Please read the FMT-125 and ML-9 which can be found in your set of sample forms.
2. Incidental farming coverage may added to the Mobile Homeowners policy if the following three conditions are met: 1) The mobile home is located on less than five acres; 2) there are no farm buildings or farm animals on the property; 3) there are no full or part time employees working on the farm. Farming activities may be conducted on insured premises, but receipts from farming activities must be less than \$1,000 per year.
3. Farmers Comprehensive Personal Liability (FCPL) may-be added when premises are over 5 acres and when true farming exposures exist (Remember that the incidental farming coverage can be used only when there are no farm buildings or farm animals on the premises). If there are farm building and/or farm animals on the premises, **the FCPL should be used to cover the exposure regardless of the acreage.** Farm Employer's Liability Coverage is mandatory with the FCPL. If an applicant declares no farm employees, include 100 man-days coverage and charge the minimum premium shown in the rate manual.

**GUIDELINES FOR MOBILE HOMES WITH ADDITIONS AND THOSE
ATTACHED TO CONVENTIONALLY BUILT DWELLINGS**

Farmers Mutual will consider mobile homes with additions and dwellings which were built by connecting two or more mobile homes, or a mobile home and a dwelling. Valuing these structures for insurance purposes is difficult. Often, the market value of connected units is less than replacement costs and the costs of construction. Call us to discuss such risks and obtain approval before binding coverage.

PREMIUM DETERMINATION

Eligibility

Using the guidelines, determine if the unit qualifies for either the Broad or Basic form policy. Homes which do not qualify for the "owners" forms may be eligible for a mobile fire policy.

Liability Exposures

Basic Policy Premiums include \$25,000 personal liability coverage. Liability coverage for the following exposures is required if they exist:

1. Additional or secondary residences where the Named Insured or spouse maintains a residence, other than business or farm properties.
2. Residence employees of the Named Insured or spouse not covered or not required to be covered by Workers' Compensation Insurance. A charge is required for residence employees in excess of two.
3. Incidental office, professional, private school or studio occupancies owned or occupied by the Named Insured at the residence premises.

All mandatory and optional Section II Coverages are written at the same limit. Additional premium charges are shown in the rate pages.

Calculation of Premium

1. Determine the Basic Policy Premium based on the dwelling amount (Coverage A).
2. Modify the amount determined in Step 1 by the deductible percentage as shown in Rule 5.1 on Rates Page 16.
3. Modify the amount determined in Step 2 for protective device credits and all other premium credits or charges.
4. Add to the amount determined in Step 3 the additional premium for all mandatory and optional Section 1 Personal Property Coverages and all mandatory and optional Section II Liability Coverages.

Changes and Additions of Coverages During the Policy Term

Limits of liability may be increased and coverages may be added during the policy term. We will compute the additional premium on a pro rata basis using the same rates in effect when the policy was written or renewed. Additional premiums of \$10.00 or less will be carried forward to future billings.

Mobile Homeowners Rules

RULE 1 ELIGIBILITY

1.1 Owner Occupied

A policy may be issued to an owner-occupant of a mobile home used only for private residential purposes and occupied by not more than two families and not more than two boarders or roomers per family.

Use Form ML-1, ML-2

1.2 Farm Dwellings

A mobile home used as a principal residence is eligible under this program. Special liability and property limitations apply when a mobile home is located on a farm premises. See Rule 2.4 and Rule 3.10.

RULE 2 PROGRAM DESCRIPTION

The following is a general description of the coverages provided by the Mobile-Homeowners forms. The policy forms state the complete conditions.

2.1 Section I Coverages — Property (Mandatory)

- Coverage A — Residence
- Coverage B — Private Structures
- Coverage C — Personal Property
- Coverage D — Additional Living Expense

2.1.1 Forms ML-1 and ML-2 cover the residence, private structures, personal property and additional living expenses against losses resulting from the perils indicated below.

	<u>ML-1</u>	<u>ML-2</u>
Fire or Lightning	✓	✓
Windstorm or Hail	✓	✓
Explosion	✓	✓
Riot or Civil Commotion	✓	✓
Aircraft	✓	✓
Vehicles	✓	✓
Smoke	✓	✓
Vandalism and Malicious Mischief	✓	✓
Glass Breakage	✓	✓
Theft	✓	✓
Falling Objects		✓
Weight of Ice, Snow or Sleet		✓
Collapse of Building		✓
Sudden and Accidental Tearing Apart, Burning or Bulging		✓
Accidental Discharge of Liquids or Steam		✓
Freezing		✓
Sudden and Accidental Damage from Electrical Currents		✓

2.2 Section II Coverages — Liability (Mandatory)

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.

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.

Use Form ML-9

2.3 Package Policy Requirements

The minimum limits of liability for the Mobile-Homeowners Policy are as follows:

<u>Coverages</u>	<u>Forms 1 and 2</u>
Residence	See Guidelines
Private Structures	10% of limit on residence
Personal Property	50% of limit on residence
Additional Living Expenses	20% of limit on residence
Personal Liability	\$25,000 each occurrence
Medical Payments to others	\$ 500 each person \$25,000 each accident

Policy forms ML-1 and ML-2 provide actual cash value coverage for the residence, private structures, and personal property.

2.4 Special Limitation — Because mobile-homeowners policies are often written to cover risks located on farms or acreage, premises liability and medical payments coverages are limited to areas within 200 feet of the residence.

RULE 3 POLICYWRITING INSTRUCTIONS

3.1 Inception Time

The policy is issued to take effect at 12:01 A.M. instead of 12 noon on the inception date at no additional premium.

Indicate inception time on Declarations Page

3.2 Annual Policy Term

Policies may not be written for less than one year except to maintain common anniversary dates with other policies. It is permissible to extend the policy for successive terms by extension certificate using the premium in effect on renewal date. The then current applicable forms and endorsements must be made part of the policy.

3.3 Three-Year Policy Term Payment Plans

Deferred — A policy may be written for a period of three years and the premiums paid in annual installments. The premium for each installment is based on the rates, rules, and forms in effect on the anniversary date.

Attach Endorsement ML-181

3.4 Additional Interests

The policy may cover the interests of additional owners at no additional premium. This coverage is limited to the building and premises liability.

Attach Endorsement ML-41

3.5 Transfer or Assignment

Subject to the company's consent the policy may be endorsed to effect:

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

3.6 Restriction of Coverage

If a policy would not be issued because of unusual exposures, the applicant may request a restriction of coverage at no premium reduction. The request, signed by the applicant, must be referred to Company.

3.7

Cancellation or Reductions In Limits of Liability or Coverages

Mandatory coverages may not be canceled unless the entire policy is canceled. If the policy or non-mandatory coverages are canceled or the amount of insurance is reduced:

3.7.1 By the Company or in the event of foreclosure of the mortgage on the insured real property, compute return premium pro rata.

3.7.2 By the Insured:

For policy terms of one year or less, - Compute the return premium at 90% of the pro rata unearned premium.

For multi year policies paid annually, the return premium is 90% of the unearned premium for the current policy year, and the full annual premium for all subsequent years.

RULE 4 PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages.

The Basic Policy Premiums are for property and liability coverages.

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

- All additional or secondary residence premises where the Named Insured or spouse maintains a residence other than business or farm properties.
- All residence employees of the Named Insured or spouse not covered or not required to be covered by Workers' Compensation Insurance. A charge is required for residence employees in excess of two.
- Incidental office, professional, private school or studio occupancies by the Named Insured on residential premises of the Named Insured.

All mandatory or optional Section II Coverages must be written at the same limit.

4.1 Calculation of Premium

The premium is computed as follows:

- 4.1.1** Determine the Basic Policy Premium based on the amount of Coverage A or Coverage C, as applicable. This basic premium must reflect revised limits of Coverage C.
- 4.1.2** Modify the amount determined in 4.1.1 to reflect the selected deductible option.
- 4.1.3** Modify the amount determined in 4.1.2 for premium credits or charges.
- 4.1.4** Add the additional premium for all mandatory or optional Section I Personal Property Coverages and all mandatory or optional Section II Liability Coverages to the amount determined in 4.1.3.

4.2 Changes In Limits of Liability or Addition of Coverages

The limits of liability may be increased or coverages added during the policy term. Compute the additional premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated. Additional premiums of \$6 or less may be waived at the option of the Company.

RULE 5 DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or charge shown in the State Rate Pages.

Deductible Amount

\$ 250
500
1,000
2,500

RULE 6 PREMIUM MODIFICATIONS

6.1 Fire Protection

The fire protection gradient applying to the mobile home determines its classification as defined below:

Protected Mobile homes located within the defined response area, and meeting all requirements to qualify for a rating of class 1 through class 6.

Partially Protected Mobile homes located within the defined response area, and meeting all requirements to qualify for a rating of class 7, 8 or 9.

Unprotected All others.

Basic premiums for each classification are shown in the state rate tables.

6.2 Protective Devices

The premium credits shown in the State Rate Pages may be allowed for the installation of the following approved and properly maintained alarm and/or sprinkler systems:

- Central Station Burglary and/or Fire Alarms.
- Fire Department and/or Police Department Alarms.
- Local Alarms — Including smoke and/or gas detection.
- Sprinkler Systems.

Attach Endorsement ML-216

RULE 7 OPTIONAL PROPERTY COVERAGES

7.1 Earthquake

Earthquake coverage may be provided at the additional premium shown in the State Rate Pages. Coverage applies to all Section I Coverages and must be written at the limit provided by the policy. The earthquake rates for Coverages B, C, and D shown in the State Rate Pages must be applied to the increases or additions of these coverages.

Attach Endorsement ML-54

7.2 Private Structures

7.2.1 Increased Limits — An additional amount of insurance may be written on a specific private structure at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-48

7.2.2 Rented to Others — Coverage may be provided for a private structure on the described premises rented or held for rental to others, used for residential purposes and occupied by no more than two families. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-40

7.2.3 With Incidental Occupancies — A private structure on the premises with an office, professional, private school or studio occupancy may be covered at the additional premium shown in the State Rate Pages for Private Structures — Rented to Others.

Attach Endorsement ML-42

7.2.4 No Private Structures • Forms 1 and 2

If private structures are not insurable, the company may exclude coverage for them. See the rates section for the premium credit.

The word “None” will be shown for the private structures limit on the Declarations Page.

7.2.5 Private Structures Limitation

Because policies are often issued for risks located on farms or acreage, coverage for private structures is limited to buildings located within 200 feet of the residence, and which are incidental to the occupancy of the dwelling.

Attach Form FMT-125

7.3 Personal Property

7.3.1 Reduced Limit — The Coverage C limit of liability may be reduced to not less than of 40% the Coverage A limit at the credit shown in the State Rate Pages.

Show limit on Declarations Page.

This reduction is not permitted when Endorsement ML-42 is attached.

7.3.2 Increased Limit — The Coverage C limit of liability may be increased at the additional premium shown in the State Rate Pages.

Show limit on Declarations Page

7.3.3 Increased Limit Away from Premises — The Coverage C limit of liability for personal property away from premises may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-66

7.3.4 Replacement Value — Personal property may be insured for replacement value at the additional charge shown in the State Rate Pages.

Attach Endorsement ML-55

7.4 Unscheduled Jewelry, Watches and Furs

The limit for unscheduled jewelry, watches and furs may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-65

7.5 Guns and Gun Accessories

Coverage for guns and gun accessories may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-65

7.6 Silverware, Goldware and Pewterware

Coverage for silverware, goldware and pewterware may be increased at the additional premium shown in the State Rate Pages,

Attach Endorsement ML-65

7.7 Physicians, Surgeons, Dentists and Veterinarians On or Away from Premises

Coverage may be provided for surgical, medical and dental instruments, medicines, drugs or books while away from the Insured's dwelling or office at the additional premium shown in the State Rate Pages.

The \$500 limit in the forms for business property on the Insured's premises applies to the property listed above. The limit may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-69

7.8 Refrigerated Food Products

Coverage may be provided for loss or damage to food products contained in a freezer or refrigerated unit. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-305

7.9 Fire Department Service Charge

The limit provided in the policy may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-306

7.10 Credit Cards and Depositors Forgery

Coverage or higher limits for loss by forgery or alteration of credit cards, checks or drafts, or acceptance of counterfeit paper currency may be provided the additional premium shown in the State Rate Pages.

Attach Endorsement ML-63

7.11 Outdoor Antennas

Coverage for outdoor antennas may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-49

7.12 Scheduled Personal Property

Coverage may be provided against all physical loss, with certain exceptions, on scheduled personal property. The following classes of items can be scheduled using rates shown in the State Rate Pages.

- Guns and accessories
- Silverware, goldware and pewterware
- Musical instruments
- Furs
- Photographic equipment
- Fine arts
- Golfer's equipment

For items not shown, refer to the company.

Attach Endorsement ML-61

7.13 Home Computers

Coverage may be provided for data processing equipment used at the residence premises. If the equipment is used for business purposes, call the company. Premium for personal use is shown in the State Rate Pages.

Attach Endorsement ML-170

7.14 Consent to Move Mobile Home

Coverage may be provided for the perils insured against in the policy when the mobile home is moved from the described premises, at the premium shown in the State Rate Pages. Coverage is not provided against loss by Collision or Upset.

Attach Endorsement ML-25

7.15 Trip Collision

Coverage may be provided against loss caused by Collision or Upset at the premium shown in the State Rate Pages. This coverage may be provided only in connection with Consent to Move Mobile Home Coverage.

Attach Endorsement ML-26

7.16 Vendor's Single Interest (Optional at request of lienholder)

The interest of the lienholder may be covered at the additional premium shown in the State Rate Pages for loss caused by:

7.16.1 Collision, Upset, Conversion, Embezzlement or Secretion.

Attach Endorsement ML-27

7.16.2 Flood, Earthquake, Collision, Upset, Conversion, Embezzlement or Secretion.

Attach Endorsement ML-28

RULE 8 OPTIONAL LIABILITY COVERAGES

8.1 Additional Residence Premises — Rented to Others

Coverage may be provided for additional one or two family residence premises rented to others, owned by the Named Insured or spouse, at the additional premium shown in the State Rate Pages.

Show in policy declarations.

8.2 Private Structures — Rented to Others

If coverage is provided under Section I for private structures rented to others, apply the additional liability premium shown in the State Rate Pages for Additional Residence Premises — Rented to Others.

Attach Endorsement ML-40

8.3 Business Pursuits

Coverage may be provided for the liability of an Insured arising out of business activities, other than a business of which he is sole owner or partner, at the additional premium shown in the State Rate Pages.

Classify as shown below, and apply the charges for each person insured.

Classifications:

8.3.1 Clerical Office Employees — Engaged wholly in office work and having no other duty in or about the employer's premises.

8.3.2 Salespersons, Collectors or Messengers — No installation, demonstration or service operations.

Attach Endorsement ML-71

8.4 Care Provided For Others

Coverage may be provided for the liability of an insured arising from the business of caring for adults or children in the home. Premium for coverage of up to seven persons is shown in the State Rate Pages. Call the Company for prior underwriting approval.

Attach Endorsement ML-157

8.5 Office, Professional, Private School or Studio Occupancy

Incidental office, professional, private school or studio occupancies are permitted provided:

- The premises are occupied principally for residential purposes, and
- There is no other business conducted on the premises.

At the additional premium shown in the State Rate Pages, coverage may be provided for the liability of an insured arising from:

An office, professional, private school or studio occupancy in the mobile home or in a separate structure on the premises. The limit for Coverage C must be at least 60% of the Coverage A limit.

Attach Endorsement ML-42

Professional instruction given by the Insured in the mobile home. The Insured employs no assistants and the mobile home has not been altered to accommodate the occupancy.

Attach Endorsement ML-42

An office, professional, private school or studio occupancy in an additional residence premises occupied by the Insured, other than the described mobile home.

Attach Endorsement ML-43

Refer to Company for Medical Payments Charges on incidental day nurseries or nursery schools.

8.6 Owned Snowmobiles — Off Premises

Coverage may be provided for each snowmobile owned by an Insured residing in the Named Insured's household at the premium shown in the State Rate Pages.

Attach Endorsement ML-164

8.7 Outboard Motors and Watercraft

Coverage may be provided for watercraft not covered by the policy at the premiums shown in the State Rate Pages.

- For rating purposes, combine the horsepower of all outboard motors used together with any single watercraft owned by the Insured.
- Sailboats 26 to 40 feet inclusive equipped with auxiliary power are classed as inboard motor boats.

Attach Endorsement ML-75

8.8 Incidental Farming

Coverage may be provided for the insured's incidental farming activities at the residence premises location provided:

- Farming is not the business of the insured.
- The insured owns, rents or leases less than five acres of land.
- The insured has no farm buildings and no farm animals.

The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-320

8.9 Farmers Comprehensive Personal Liability

Farm liability exposures away from the residence premises location may be covered at the additional premium shown in the State Rate Pages.

The following may not be covered:

- Farms where the principal purpose is to supply commodities for manufacturing or processing by the Insured for sale to others.
- Farms where the principal purpose is raising and using horses for racing purposes.
- Incorporated farms.

Attach Form ML-10

Charges must be made for the initial farm exposure and each additional farm premises, if they exist.

8.9.1 Initial Farm Exposure — This includes:

- The principal farm premises, which is the largest parcel of farm land with outbuildings(s), whether owned and operated by the Insured or rented to others, and
- All farm land without outbuildings used in conjunction with the above, including any vacant farm land. Any other dwellings located on the farm shall be rated as additional residence premises.

8.9.2 Each Additional Farm Premises — This includes any additional farm with outbuildings(s) whether owned and operated by the Insured or rented to others and all vacant farm land used in conjunction with it. Any dwellings located on the farm shall be rated as additional residence premises.

8.9.3 Farm Employees — Coverage may be provided to include liability and medical payments for farm employees of any Insured for injuries sustained during the course of their employment.

Attach Endorsement ML-311

8.9.4 Farm employees employed in violation of the law may be specifically excluded. Attach Endorsement ML-319

8.9.5 Animal Collision — Coverage may be provided at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-337

8.9.6 Custom Farming — The policy may be extended to cover the Insured's custom farming operations at the premium shown in the State Rate Pages.

Attach Endorsement ML-313

RULE 9 ADDITIONAL RESIDENCE PREMISES

An additional residence is defined as a mobile home (located in the same state) owned by an Insured, other than the mobile home described on the Declarations Page. It may be either owner or tenant occupied.

9.1 Same State

Coverage for Section I exposures may be provided under a separate fire and extended coverage policy. See the dwelling fire section of the underwriting manual.

9.2 Other State

Coverage is not available for locations outside the State of Tennessee.