



**PACIFIC SPECIALTY INSURANCE COMPANY
STATE OF CALIFORNIA**

**Underwriting and Rate Guide
Unit-Owners Program**

Unit-Owners (HO-6) Policy

Edition 10

Pacific Specialty Insurance Company

1.	POLICY FORM AND PROPERTY LIMITS	3
2.	ELIGIBILITY	3
3.	POLICY TERM	3
4.	OTHER INSURANCE	3
5.	RESERVED FOR FUTURE USE	3
6.	APPLICATION AND BINDING PROCEDURES	3
7.	CATASTROPHE MANAGEMENT	4
	A. Suspension of Binding Authority	
	B. General (Non-Earthquake Related) Emergency Restrictions	
	C. Earthquake Related Restrictions	
	D. Miscellaneous Restrictions	
8.	INSPECTION AND POLICY FEE	5
9.	COVERAGES AND AMOUNTS	6
	A. Unit-Owners (Policy Form 6)	
10.	LOSSES INSURED	7
	A. Section I – Property Coverages	
	B. Section II – Liability Coverages	
11.	LOSS SETTLEMENT – SECTION I	7
	A. Dwelling	
	B. Personal Property	
12.	SUBMIT FOR APPROVAL	7
	A. Unit-Owners	
13.	UNACCEPTABLE RISKS	8
	A. Unacceptable Locations	
	B. Unacceptable Properties	
	C. Unacceptable Units	
	D. Unacceptable Risks	
14.	OPTIONAL COVERAGES AND LIMITS	9
	A. Policy Deductibles	
	B. Preferred Package (Personal Property)	
	C. Increased Dwelling Coverage	
	D. Replacement Cost Coverage for Personal Property	
	E. Loss Assessments	
	F. Loss of Use	
	G. Optional Personal Liability Limits	
	H. Optional Personal Injury	
	I. Optional Limited Animal Liability Limits	
	J. Earthquake Coverage	
	K. Ordinance or Law Coverage	
	L. Increased Unscheduled Jewelry & Silverware	
	M. Trusts, LLC's, LFP's & Additional Insureds	
	N. Identity Theft Coverage	

Pacific Specialty Insurance Company

- O. Optional Home Freezer Contents Coverage
- P. Optional Water Backup Coverage
- Q. Optional Personal Computer Equipment Coverage
- R. Home Services Protection Coverage
- S. Enhanced Mortgagee Clause (438BFU)

15.	PREMIUM CREDITS AND SURCHARGES	13
16.	SCHEDULED PERSONAL PROPERTY	15
17.	INFLATION GUARD	19
18.	CHANGES ON POLICY	19
19.	CANCELLATION OF INSURANCE	19
20.	TRANSFER OR ASSIGNMENT	19
21.	TERRITORIAL ZONES	19
22.	RESERVED FOR FUTURE USE	19
23.	FIRE PROTECTION DEFINITIONS	20
24.	RATES AND PREMIUM CALCULATION	21
	A. Base Rates	
	B. Coverage A Rate	
	C. Protection Class Factors	
	D. Occupancy Factors	
	E. Territorial Zones and Factors	
	F. Premium Calculation	

Pacific Specialty Insurance Company

1. POLICY FORMS AND PROPERTY LIMITS

<u>Unit-Owners (Condominium/Townhouse):</u>	<u>Form 6</u>
<i>Personal Property Limits:</i>	<i>Minimum: \$5,000</i>
	<i>Maximum: \$500,000</i>

2. ELIGIBILITY

These Eligibility Guidelines are subject to the SUBMIT FOR APPROVAL and UNACCEPTABLE RISKS sections contained herein.

Primary owner occupied, seasonal, and tenant occupied units, which are part of a community association organized under condominium, cooperative, town house or planned development form of ownership and where provision has been made for a master policy covering the residential building(s) real property exposure. The unit must be used principally for private residential purposes.

NOTE: *The term "owner" includes persons purchasing a dwelling, such as under a mortgage agreement or contract of sale.*

3. POLICY TERM

Policies will be written for a maximum of 12-month terms only. A term of less than 12-months can only be written to ensure that the policy expiration date coincides with the annual expiration date of another insurance policy held by the named insured. If the term is less than 12-months, the premium (not the fees) will be prorated. The minimum premiums still apply. Policy terms less than 6 months must be paid in full.

Direct bill premium invoicing is available, unless the initial term is less than 6-months. A premium invoice will be mailed directly to the insured 30-40 days prior to the installment due date. A service fee is added to all installments, but not the initial down payment. The service fee is \$10 for each non-EFT recurring installments and \$3 for each EFT recurring installments

An insufficient funds fee of \$25 will be assessed whenever a manual check, electronic check/funds transfer or credit card transaction is unable to be processed due to the lack of sufficient funds or credit limit.

Please note, fees will be fully retained for flat cancellation of policies in effect for more than 5 days.

4. OTHER INSURANCE

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the policy. (For example, flood insurance.)

5. RESERVED FOR FUTURE USE

6. APPLICATION AND BINDING PROCEDURES

A. For policies bound online using our website rating facility:

All application questions must be fully completed by producer and applicant. After policy has been bound and a policy number has been issued, the application must be signed by both the producer and the applicant. The application and supporting documentation will be subject to PSIC's current submission procedures. Please contact Customer Service at 1-800-303-5000 with any questions.

B. For policies NOT bound online using our website rating facility:

A Pacific Specialty Insurance Company ("PSIC") Unit-Owners (Condominium and Townhouse) insurance application must be fully completed and mailed to PSIC (or its representative). Binding is subject to acceptance of the risk by PSIC. The following provisions must be satisfied when the application is submitted:

A Pacific Specialty Insurance Company ("PSIC") Unit-Owners (Condominium and Townhouse) application must be fully completed and mailed to PSIC (or its representative). Binding is subject to acceptance of the risk by PSIC. The following provisions must be satisfied when the application is submitted:

Pacific Specialty Insurance Company

- A. All underwriting rules are followed; and
- B. A PSIC application (including any/all necessary disclosures) is fully completed and signed by both the applicant and producer; and
- C. Required premium (or minimum required down payment) accompanies application; and
- D. All of the above referenced items are mailed to PSIC (or its representative) within the following number of days from the requested effective date:
 - If premium paid in full, 15 days
 - If direct bill payment option is requested, 5 days

Applications received in our office that are not postmarked within the required binding periods specified above, provided all binding procedures and underwriting criteria are met, will be made effective the date received in our office. An automatically populated application can be printed to sign and submit for policies that are quoted and bound online through our website facility at www.pacificspecialty.com.

7. CATASTROPHE MANAGEMENT

A. Suspension of Binding Authority

All binding authority is automatically suspended whenever the following conditions exist in a given area:

- Impending severe local weather conditions or bulletin(s)
- Civil unrest

No applications for new coverage will be accepted. No endorsements of existing policies will be accepted which will have the effect of increasing the company's exposure. Applications with an effective date/postmark combination, which would violate the prohibition(s) listed above, will be rejected and no coverage will exist. Renewals of the company's expiring policies will be issued provided there is no increase in coverage or exposure.

This temporary suspension of binding authority will remain in effect until these binding restrictions have been lifted by PSIC.

B. General (Non-Earthquake Related) Emergency Restrictions

Pacific Specialty Insurance Company may also establish discretionary restrictions on binding authority during emergency periods of potential floods, mudslides, forest fires, or other natural or manmade disaster emergencies. Agents who are aware of such conditions SHOULD NOT BIND COVERAGE UNTIL THEY HAVE CALLED THE COMPANY TO VERIFY THAT NO BINDING RESTRICTIONS ARE IN EFFECT.

If enacted, these emergency restrictions will be identical to those detailed in the above "Suspension of Binding Authority" section.

This temporary suspension of binding authority will remain in effect until these binding restrictions have been lifted by PSIC.

C. Earthquake Related Emergency Restrictions

When a major earthquake occurs, PSIC (or its representative) may impose binding authority restriction on all agents in the affected area:

1. Binding authority will be restricted when an earthquake reading 5.0 or greater on the Richter Scale occurs.
2. Binding authority will be restricted for the day of the earthquake and for the 30-day period following the earthquake.
3. An aftershock reading 5.0 or greater on the Richter Scale will be considered a new earthquake, and will result in a new period of suspended binding authority.
4. The restrictions will apply to all counties located within 150 miles of the earthquake's epicenter.
5. The same above restrictions apply to any requests to increase coverage limits.
6. Renewals are not affected by these restrictions.

Pacific Specialty Insurance Company

D. Miscellaneous Restrictions

Pacific Specialty Insurance Company, as part of its Catastrophe Management Program, may also establish (at its discretion) temporary and/or permanent restrictions on binding authority to properly control and maintain appropriate geographic concentration levels, or to address reinsurance concerns that cover this program.

8. INSPECTION AND POLICY FEE

An independent inspection firm will be hired to inspect each property on both new and renewal business.

Inspections will be performed on all new business, along with every other annual renewal for unit-owner policies. The new and renewal policy fee is \$65 per policy. The policy fee is non-refundable (fully retained).

Pacific Specialty Insurance Company

9. COVERAGES AND AMOUNTS

These policies contain two sections: Section I – Physical Damage Coverages and Section II – Liability Coverages. Below is a brief description of the coverage provided. For a complete description, please refer to the policy.

Section I – Physical Damage			
Coverage A: Dwelling	Building Property	\$1,000 included (additional coverage available up to \$300,000)	
Coverage C: Personal Property	Personal Property: Amount based on value of personal property (\$5,000 minimum)		
	Special Limit:		
	Type of Personal Property:	Standard Included Coverage	Optional Preferred Package
	Money, Bank Notes, Coins	\$100	\$500
	Property Used in Business	\$500 (on premises) \$250 (off premises)	\$5,000 (on premises) \$2,000 (off premises)
	Securities, Accounts, Deeds	\$500	\$5,000
	Watercraft & Equipment	\$500	\$5,000
	Trailers not used with Watercraft	\$500	\$5,000
	Grave Markers	\$500	\$5,000
	Jewelry and Furs (Theft) unless endorsed with PO17	\$500	\$5,000
	Silverware, Goldware and Pewterware (Theft) unless endorsed with PO17	\$500	\$5,000
	Firearms (Theft)	\$500	\$5,000
	Computer Equipment (unless endorsed with PO18)	\$500	\$5,000
	Antiques and Fine Arts	\$500	\$5,000
	Rugs and Carpets (Theft)	\$500	\$5,000
	Photographic and Video Equipment	\$500	\$5,000
	Glassware and Crystal	\$500	\$5,000
	Electronic Apparatus while not in or upon a motor vehicle if designed to be operated solely by power from the vehicle	\$500	\$5,000
Musical Instruments	\$1,000	\$5,000	
Tools	\$2,000	\$5,000	
Jewelry, Furs, etc. while in bank, safe deposit or trust company	\$0	\$50,000	
Coverage D: Loss of Use		Actual Loss Sustained (10% of Coverage C included)	
Additional Coverages:	Debris Removal	Additional 5% if Loss and Debris Removal Costs Combined Exceed Limit/\$500 to Remove Fallen Trees	
	Reasonable Repairs	Included in Limit for Damaged Property	
	Trees, Plants, Shrubs or Lawns	Up to 10% of Coverage C Limit / \$500 Maximum Per Tree, Shrub or Plant	
	Property Removed	30-Day Limit	
	Credit Card, Forgery and Counterfeit Money	\$500 Per Occurrence	
	Loss Assessment	\$1,000 Per Occurrence included	
	Collapse	Included in Limit for Damaged Property	
	Glass or Safety Glazing Material	Included in Limit for Damaged Property	
Section II – Liability Coverages			
Coverage E: Personal Liability		\$100,000 Included	
Coverage F: Medical Payments To Others		\$500 (Per Person); \$5,000 per occurrence	
Additional Coverages:	Claim Expenses	Damage To Property of Others	
	First Aid Expenses	Loss Assessment	

Pacific Specialty Insurance Company

10. LOSSES INSURED

Below is a brief description of the losses insured (Please refer to the policy for a complete description of the coverage):

A. Section I – Property Coverages

Listed below are the losses that are insured for Coverage A (Dwelling), Coverage C (Personal Property) and Coverage D (Loss of Use):

1. Fire or Lightning
2. Windstorm or Hail
3. Explosion
4. Riot or Civil Commotion
5. Aircraft
6. Vehicles
7. Sudden and Accidental Damage from Smoke
8. Volcanic Action
9. Vandalism or malicious mischief
10. Theft (Seasonal and Rental Properties include a sublimit on Personal Property for loss by Theft of \$3,000)
11. Falling Objects
12. Weight of Ice, Snow or Sleet
13. Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging of Water Heater, etc.
14. Accidental Discharge or Overflow of Liquids or Steam of Water Heater, Domestic Appliance, etc.
15. Freezing of a Water Heater, Domestic Appliance, etc.
16. Sudden and accidental damage from artificially generated electrical current

B. Section II – Liability Coverages

Section II Liability includes coverage for bodily injury or property damage and defense costs associated with a suit brought against an insured. Mandatory endorsements apply to all policies that exclude animal liability coverage.

11. LOSS SETTLEMENT – SECTION I

Below is a brief description of the loss settlement provisions for Section I of the policy (Please refer to the policy for a complete description of the coverage):

A. Dwelling

The loss settlement provision for the Dwelling is on a replacement cost basis without a deduction for depreciation.

B. Personal Property

The loss settlement provision for Personal Property is on an actual cash value basis. Optional replacement cost coverage is available for an additional charge.

12. SUBMIT FOR APPROVAL

The following risks require prior approval and applications must be submitted unbound:

A. Unit-Owners

1. Units with a professionally installed (by a licensed contractor) commercially-made wood burning stove must be submitted along with a fully completed Wood Burning Stove Inspection Report (ATTACH Form PU1).
2. Risks titled in corporate name or name of business (this includes a Land Trust), except that the Named Insured can be a Limited Liability Corporation (LLC) if the Managing Member is listed as an Additional Insured.
3. Dwellings with an individual or private party listed as a lender.

Pacific Specialty Insurance Company

13. UNACCEPTABLE RISKS

PACIFIC SPECIALTY INSURANCE COMPANY will not accept the following risks:

A. Unacceptable Locations:

1. Units located in or within 500 feet of brush fire or landslide areas.
2. Units located in forested area.
3. Units with a Fireline score higher than 3.

B. Unacceptable Properties:

4. Properties with pools, hot tubs, spas or similar structures not completely fenced and fully complying with all city and/or county ordinances.

C. Unacceptable Dwellings:

5. Mobile homes, trailer homes, modular homes, houseboats, portable homes or any structure made of cloth or canvas.
6. Units under construction.
7. Dwellings on piers or pilings.
8. Units without utility services.
9. Units not maintained in an insurable condition; properties not showing pride of ownership (ie. Premises not properly maintained) or located in a neighborhood not showing pride of ownership or with 3 or more vacant or condemned dwellings.
10. Units with unrepaired damage and/or open claims, including earthquake damage.

D. Unacceptable Risks:

11. Risks with Personal Property in excess of \$500,000.
12. Losses paid in excess of \$2,500 within the last 12 months; or losses paid that are in excess of \$5,000 within the last 24 months; or there are multiple (3) small claims within the last 12 months including earthquake damage.
13. Risks with repetitive similar cause losses.
14. Apartment Cooperatives.
15. Vacant units (This rule applies to primary owner-occupied risks only). To qualify as primary owner-occupied, unit must be occupied within 10 days of inception of coverage.
16. Corporate or Business owned dwelling or any dwelling titled in a corporate or business name (this includes Land Trust), except that the Named Insured can be a Limited Liability Corporation (LLC) or a Limited Family Partnership (LFP) if the Managing Member is listed as an Additional Insured.
17. Units where space is rented to others for commercial use or property with any type of business on the premises. When a trust is listed as an Additional Insured, a trustee or beneficiary of the trust that conducts or engages in any activities on or related to the insured location for monetary gain or compensation is unacceptable.
18. Risks with other insurance in force, except insurance which covers perils not insured by the unit-owners policy.
19. Risks where the applicant has had foreclosure proceedings initiated against an owned property anytime within the last three (3) years or where occupant in possession is adverse to owner. Units purchased at, from, or through foreclosure, bank or trustee sale are acceptable as long as a copy of the property inspection report is provided to the producer and/or Company and made part of the application. Applicant and Producer must confirm condition of risk comports with all the underwriting guidelines and prohibited risks. The policy deductible shown on the declarations page will be doubled in the event of a loss occurring within the first 90 days of the inception date of the policy (Attach PM29 – Dwelling Purchased through Foreclosure).
20. Units rented daily or weekly.
21. Dwellings with an individual or private party listed as the first or primary lender.
22. Unit premises occupied by more than one family.
23. A trust as a Named Insured (trusts should be listed as an Additional Insured).
24. A trust as an Additional Insured when the Named Insured is not a trustee or beneficiary.
25. Risks with homemade wood burning stove or wood burning stove that is not maintained. (See Premium Credits and Surcharges Section for wood burning stove requirements and surcharge).
26. Risks where the insured owns more than 4 units within a single building.

Pacific Specialty Insurance Company

14. OPTIONAL COVERAGES AND LIMITS

A. Policy Deductibles

Primary Residence - \$250
Seasonal/Rental Residence - \$500

To increase deductibles on Primary Residences from \$250 to:

\$500	Credit Cov. C premium by 10%
\$1,000	Credit Cov. C premium by 15%
\$1,500	Credit Cov. C premium by 20%

To increase deductibles on Seasonal or Rental Risks from \$500 to:

\$1,000	Credit Cov. C premium by 5%
\$1,500	Credit Cov. C premium by 10%
\$2,500	Credit Cov. C premium by 15%

B. Preferred Package (Personal Property)

The preferred package automatically includes the following coverages for a premium charge below plus an additional \$86.00

- Replacement Cost Coverage for Personal Property
- Preferred Theft Coverage (\$5,000 Limit for Theft Coverage Removed)
- \$500 for loss to covered property stored in a freezer or refrigerator
- Identity Theft
- Home Systems Protection (Equipment Breakdown) Coverage
- \$100,000 Personal Injury Coverage (Selected limit cannot exceed Coverage E Limit).

Rate Per Thousand
\$2.00

ATTACH: Endorsement PM22, Preferred Package
Endorsement PO5-HO, Personal Property Replacement Cost
Endorsement PO19, Home Freezer Contents Coverage
Endorsement PO53, Preferred Theft Coverage
Endorsement PO8, Personal Injury Coverage
Endorsement PO42, Identity Theft Expense and Resolution Services Coverage
Endorsement PO-75, Home Systems Protection Coverage

C. Increased Dwelling Coverage

\$1,000 of Dwelling (Coverage A) coverage is applied with all policies. This coverage can optionally be increased, in \$1,000 increments, to a maximum of \$300,000. See Section 23 Rates and Premium Calculation.

D. Replacement Cost Coverage for Personal Property

Losses for personal property are settled on an actual cash value basis. For an additional charge, replacement cost without deduction for depreciation is available.

Rate Per Thousand
\$1.00

ATTACH: Endorsement PO5-HO, Replacement Cost Coverage for Personal Property

Pacific Specialty Insurance Company

E. Loss Assessments

\$1,000 included. Optional up to \$25,000 at \$7.00 per \$1,000.

F. Loss of Use (Coverage D)

10% of Coverage C included. For a premium charge, additional loss of use can be purchased up to \$25,000 above the included 10% of Coverage C:

Rate Per Thousand
\$3.00

G. Optional Personal Liability Limits

The basic HO-6 policies provide \$100,000 Personal Liability limits (Also includes Coverage F – Medical Payments with limits of \$500 per person/\$5,000 per occurrence). Higher or lower liability limits are available for the following additional premium or credit amounts:

Unit-Owners (HO-6)	
<i>Limit</i>	<i>Premium</i>
\$25,000	Subtract \$35
\$50,000	Subtract \$23
\$100,000	Included
\$200,000	Add \$20
\$300,000	Add \$35
\$500,000	Add \$50

H. Optional Personal Injury Coverage

Personal Injury Coverage is available for the following additional premium amounts:

Limit	Premium
\$100,000	\$15
\$200,000	\$20
\$300,000	\$30
\$500,000	\$40

*Note: Selected limit cannot exceed Coverage E Limit.

Attach: Endorsement PO8, Personal Injury Coverage

I. Optional Limited Animal Liability Limits

Animal liability coverage is not included, unless purchased and listed separately on the declarations page with a limit and associated premium charge. Coverage is identified as E1 “Animal Liability.” Selected animal liability limit cannot exceed personal liability limit.

Limit	Premium
\$25,000	\$15
\$50,000	\$18
\$100,000	\$27
\$200,000	\$36
\$300,000	\$45

ATTACH: If animal liability is not selected: Form PM2, Animal Liability Exclusion
 If animal liability is selected: Form PO14, Limited Animal Liability Coverage

Pacific Specialty Insurance Company

J. **Earthquake Coverage**

The state of California requires earthquake coverage be offered on all insured policies which contain physical damage coverage on personal property or dwellings. This is an optional coverage available only for an additional charge. (Subject to a Deductible of 10% of the total coverage amount. \$1,000 minimum deductible applies.)

	Wood Frame	Masonry
Per \$1,000 of Coverage A and C combined	\$6	\$10

ATTACH: Endorsement PO52, Homeowners Earthquake Endorsement

K. **Ordinance or Law Coverage**

This coverage is not included in your policy unless it is purchased for an additional premium of 7% of your Basic Coverage A premium and shown as Coverage A2 (Ordinance or Law) on the Declarations with the associated premium charge. If this coverage is purchased, loss for damage by a covered peril insured against to the insured dwelling (additions and alterations) will be settled on the basis of any ordinance or law that regulated the construction, repair or demolition of this property.

ATTACH: Endorsement PO16, Ordinance or Law Coverage

L. **Increased Unscheduled Jewelry & Silverware**

The policy includes:

- \$5,000 sublimit for theft of jewelry, watches, furs, and precious and semi-precious stones; and
- \$5,000 sublimit for theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware.

For an additional charge of \$27, these limits, found in Section I – Coverage C – Special Limits of Liability items 5 and 7 of the policy, can be increased to \$10,000 for unscheduled jewelry, and \$10,000 for unscheduled silverware.

When increased special limits for Jewelry and Silverware are purchased, the policy Declarations page will show that these limits have been enhanced. However, these new limits do not increase the Coverage C limit of the policy.

ATTACH: Endorsement PO17, Increased Unscheduled Jewelry and Silverware Limits

M. **Trusts, LLC's, LFP's and Additional Insureds**

A policy may be issued in the name of a Limited Liability Corporation (LLC) or a Limited Family Partnership (LFP), provided that the Managing Member is listed as an Additional Insured. No other type of business or corporation can be listed as a Named Insured, including trusts.

Trusts can only be listed as an Additional Insured and require that a trustee or beneficiary of the trust be the Named Insured.

Other persons or organizations with an insurable interest in the property can be listed as an Additional Insured.

Please note the following endorsements apply to all policies and limit coverage for legal entities and persons or organization listed as an Additional Insured to the residence premises. There is no charge for either coverage.

ATTACH: Form PM27, Additional Insured – Property Policies
Form PM28, Property Held By Legal Entity

Pacific Specialty Insurance Company

N. Identity Theft Coverage (Full-Time or Seasonal Owner-Occupied Units Only)

For an additional charge of \$25, Identity Theft Coverage can be added to the policy. This coverage offers \$25,000 for expenses incurred by an insured as a direct result of an identity theft discovered during the policy period. Additionally, the coverage offers access to resolution services from a consumer fraud specialist who assists in the process of restoring the insured's identity from first call to crisis resolution. No deductible applies to this coverage.

ATTACH: Endorsement PO42, Identity Theft Expense and Resolution Services Coverage

For an additional charge of \$40, Identity Theft with Triple Bureau Credit Monitoring can be added to the policy. This coverage offers the same benefits of Identity Theft Coverage plus Triple Credit Bureau Monitoring which provides notifications for any changes to the insured's credit files.

ATTACH: Endorsement PO60, Identity Theft Expense and Resolution Services Coverage (with Credit Monitoring)

For an additional charge of \$70, Identity Theft with ID Alert Coverage can be added to the policy. This coverage offers the same benefits of Identity Theft Coverage plus ID Alert which provides a monthly proactive National Database screening and notification by phone or email of possible fraud of an insured that has provided Name, Address and Social Security Number.

ATTACH: Endorsement PO43, Identity Theft Expense and Resolution Services Coverage (with ID Alert)

O. Optional Home Freezer Contents Coverage

For an additional charge of \$12, coverage may be purchased for loss to covered property stored in freezers/refrigerators for up to \$500 of coverage. This is additional coverage with no deductible applied.

ATTACH: Endorsement PO19, Home Freezer Contents Coverage

P. Optional Water Backup Coverage

All policies exclude coverage for water that backs up through a sewer or drain. This coverage can be added with a limit of \$2,500 or \$5,000 for the charge indicated below.

Water Backup Limit	Charge
\$2,500	\$50
\$5,000	\$85

ATTACH: Endorsement PO40, Limited Sewer or Drain Backup Coverage

Q. Optional Personal Computer Equipment Coverage

All policy forms include a \$5,000 sub-limit (see Special Limits in policy) for computers and electronic data processing equipment. For an additional charge, this limit can be increased using the rates indicated below.

Unlike the Special Limits of Liability included in the policy, this is additional coverage with no deductible applied.

Coverage	Limits	Rate
Personal Computer System	\$5,001 - \$10,000	\$25 + \$1.00 per \$100 in coverage
Personal Computer Programs	\$5,001 - \$10,000	\$25 + \$1.00 per \$100 in coverage
Data re-creation	\$2,000	\$10

ATTACH: Endorsement PO18, Personal Computer Equipment Coverage

Pacific Specialty Insurance Company

R. **Home Systems Protection (Equipment Breakdown) Coverage**

For an additional charge of \$46, - Home Systems Protection Coverage can be added to the policy.

Coverage is provided for a home systems breakdown to covered home equipment. The limit for this coverage is dependent upon the age of the covered home equipment.

The definition of home systems breakdown is sudden and accidental:

- Mechanical Breakdown
- Electrical Breakdown
- Bursting, Cracking or Splitting
- Electronic Circuitry Impairment

Of covered home equipment that results in direct physical damage or loss of function and requires repair or replacement of all or part of the damaged covered home equipment

A \$500 Deductible for Home Systems Protection coverage will apply to each loss. The limit for this coverage is \$100,000 for equipment less than 15 years old; \$1,500 for equipment 15 years or older.

Coverage is not available if policy has incurred three or more paid Home System Protection Claims

ATTACH: Endorsement PO-75, Home Systems Protection Coverage

S. **Enhanced Mortgagee Clause (438BFU)**

The enhanced mortgagee clause can be attached to the policy for a \$10.00 premium charge.

ATTACH: Form 438BFU, Lender's Loss Payable Endorsement

Pacific Specialty Insurance Company

15. PREMIUM CREDITS AND SURCHARGES

The maximum total premium credit that can be applied to any policy is 50%. All credits and surcharges must be computed from basic Coverage C premium only.

1. Multi-Policy Discount:

If the insured has another in force personal or commercial lines policy with Pacific Specialty Insurance Company or a private passenger auto policy (car, truck, or SUV only) with the same producer a premium credit will be allowed. This credit will apply to the basic premium for the policy. This credit will be discontinued if/when the other policy(ies) lapse. Only one credit for the highest qualifying discount level, as identified below, can be applied to the policy at any time.

Discount Level	Other Policy Type	Credit
Level I	Private passenger auto with the same producer	5%
Level II	Any personal or commercial lines policy with Pacific Specialty.	10%

2. Central Alarm Service:

Fire Only
Credit Cov. C premium by 5%

Burglary Only
Credit Cov. C premium by 5%

Fire and Burglary
Credit Cov. C premium by 10%

3. Wood Burning Stove Surcharge:\$25

IMPORTANT: Please review "Submit for Approval" section for qualifications and restrictions pertaining to wood burning stoves. Application must be received with fully completed Wood Burning Stove Inspection Report.

4. Workers' Compensation:

The state of California requires this coverage to be included in all property insurance policies which contain personal liability coverage. This coverage provides protection when a temporary/occasional employee is injured while on the job.

In servants, per employee \$131
Employment of not less than 10 hours per week of service. Principal jobs include, but are not limited to, housekeepers, cooks, nurses and baby-sitters

Out servants, per employee \$105
Employment of not less than 10 hours per week of service. Principal jobs include, but are not limited to, gardeners, landscapers, and chauffeurs.

Pacific Specialty Insurance Company

5. Prior Loss Surcharge

The Prior Loss Surcharge recognizes the loss history of an insured or applicant in determining the appropriate premium for a new or renewal policy. If an insured has one or more chargeable losses in the last three (3) years including at any previous residences, for which Pacific Specialty or any other company has an incurred loss of \$500 or more (excluding the deductible), a surcharge is applied to the policy at New Business and/or Renewal. The three (3) year experience period will be calculated from the current new business effective date and/or renewal process date.

The following types of losses are not considered chargeable:

1. Catastrophe claims such as wildfires, tornados, hurricanes or earthquakes that are assigned a CAT number by ISO will not be counted.
2. A loss for which a payment occurred only with respect to Medical Payments to Others or Similar Coverage.
3. Home Systems Protection or Identity Theft losses will not be counted.

First Non-Burglary/Theft Loss
Surcharge Cov. C premium by 10%

Second Non-Burglary/Theft Loss
Surcharge Cov. C premium by 34%

Third Non-Burglary/Theft Loss
Surcharge Cov. C premium by 60%

First Burglary/Theft Loss
Surcharge Cov. C premium by 60%

Second Burglary/Theft Loss
Surcharge Cov. C premium by 90%

Pacific Specialty Insurance Company

16. SCHEDULED PERSONAL PROPERTY

Coverage for Scheduled Personal Property can be provided against all risks of direct physical loss, with certain exceptions. Complete descriptions must be given. Can be added mid-term only if accompanied by an appraisal report for all items submitted mid-term, dated no more than 30 days prior to the date coverage is requested to be scheduled. Submit basis only for mid-term coverage addition. See Scheduled Personal Property guidelines and rates to schedule property.

ATTACH: Form PO6, Scheduled Personal Property Coverage

General Underwriting Guidelines:

- This coverage can only be added mid-term if accompanied by an appraisal report for all items submitted mid-term, dated no more than 30 days prior to the date coverage is requested to be scheduled. Submit basis only for mid-term coverage addition.
- Total agency binding limit (per schedule): \$50,000
- Minimum Premium: \$50
- Any scheduled item exceeding the reference *Limit Per Item* must be submitted for underwriter approval.
- Any total schedule exceeding \$50,000 must be submitted for underwriter approval.
- Property which is not eligible for coverage:
 1. Property held by merchants or dealers.
 2. Property held by or on loan to museums, art galleries, or art institutions
 3. Items used in the insured's business(es) or profession(s).

A. Jewelry (Limit per Item: \$25,000; Total Limit: \$100,000)

Individually owned personal jewelry, defined as articles of personal adornment composed in whole or part of silver, gold, platinum, or other precious metals and alloys, whether or not containing pearls, jewels, precious or semi-precious stones.

	Rate per \$100
Los Angeles County and Palm Springs:	\$2.25
Remainder of State:	\$1.75

Binding Requirements:

- We do not insure loose stones as they are easily lost or misplaced. We will not write damaged or chipped stones.
- An "adequate description" must contain information typically found on an appraisal (i.e. weight, mounting, distinguishing characteristics, characteristics of the stones, serial numbers, etc.)
- An "adequate appraisal" must be dated and signed by a qualified appraiser and show the "Four C's" (Carat, Cut, Color, Clarity) by scale. Appraisals on all items must have been made within the last 30 days and required for all items over \$2,500.
- Verification of where the item is kept when not worn and how often the item is worn is required.
- If jewelry contains "soft stones", before binding you must determine that they are being properly maintained. Soft stones are defined as gemstones rated on the hardness scale 8 or less; Amethyst, Opal, Turquoise and Pearl.

B. Furs (Limit per Item: \$7,500; Total Limit: \$15,000)

	Rate per \$100
Los Angeles County and Palm Springs:	\$1.94
Remainder of State:	\$0.86

Pacific Specialty Insurance Company

Binding Requirements:

- We will not schedule damaged or deteriorating furs.
- A “descriptive appraisal” which must include the type of fur, length, color, origin and value. Appraisals on furs are often inflated. We require a sales slip noting the purchase price, if the item was purchased within the last three years. If the item was purchased over three years ago, we will accept an appraisal from a qualified appraiser.
- Verification of where the item is stored.

C. Cameras (Limit per Item: \$2,500; Total Limit: \$15,000)

Cameras, projection machines, films, sound equipment, binoculars, telescopes, microscopes, etc., not utilized for professional purposes:

Rate per \$100
\$1.75

Binding Requirements:

- Description of camera items must include make, model numbers and serial numbers.
- Lens descriptions must include make, “F” stop and focal length.

D. Musical Instruments (Limit per Item: \$7,500; Total Limit: \$15,000)

Not utilized for professional purposes

Rate per \$100
\$0.50

Binding Requirements:

- Description of musical instruments must include make, model numbers and serial numbers, if any.
- We prefer a sales slip noting the purchase price if the item was purchased within last three years.
- If the item was purchased over three years ago, we will accept an appraisal from a qualified appraiser.

E. Silverware (Limit per Item: \$2,500; Total Limit: \$15,000)

Silverware, silver-plated ware, goldware, gold-plated ware and pewterware.

Rate per \$100
\$0.50

Binding Requirements:

- We require sales receipts or documentation of value within the last three years or an itemized manufacturer’s listing showing brand, pattern, price and description.

F. Golfer’s Equipment (Limit per Item: \$2,000; Total Limit: \$5,000)

Rate per \$100
\$1.40

Binding Requirements:

- Documentation of value within the last three years.
- Description of items must include make, model numbers and serial numbers, if any, as well as distinguishing characteristics.
- We prefer a sales slip noting the purchase prices.

Pacific Specialty Insurance Company

G. Fine Arts (Limit per Item: \$10,000; Total Limit: \$50,000)

Paintings, etchings, pictures, tapestries, art glass windows, fine china and other bonafide works of art (such as valuable rugs and statuary) or rarity, historical value or artistic merit.

Rate per \$100
\$0.30

BREAKAGE COVERAGE NOT AVAILABLE

Binding Requirements:

- Documentation of value within last three years.
- We do not provide breakage coverage.
- Appraisals on Oriental rugs and tapestries are often inflated. We prefer a sales slip noting the purchase price if the item was purchased within the last three years.
- If the item was purchased over three years ago, we will accept a current (not more than 30 days old) appraisal from a qualified appraiser.
- For Oriental rugs, verification is required on where they are kept, how and where they are displayed, and if an alarm is connected to the item.

H. Postage Stamps (Limit per Item: \$1,000; Total Limit: \$5,000)

Rate per \$100
\$0.50

Binding Requirements:

- Description of items must include year of issue, condition, denomination and place or origin.
- We prefer sales slip noting the purchase price.

I. Rare and Current Coins (Limit per Item: \$1,000; Total Limit: \$5,000)

Rare and current coins, medals, paper money, bank notes, tokens of money and other numismatic property including albums, containers and display cabinets in use with collections.

Rate per \$100
\$2.69

Binding Requirements:

- Description of item must include year of issue, condition, denomination and place of origin.
- We prefer a sales slip noting the purchase price.

J. Firearms (Limit per Item: \$2,000; Total Limit: \$5,000)

Rate per \$100
\$4.50

Binding Requirements:

- We are concerned about firearm schedules and review all applications carefully.
- We require complete Underwriting information on the insured, including occupation, place of employment, where item is kept, and who in the household has access and training.
- A description must include year manufactured, make, model, serial number, caliber, barrel length, etc.

We require a sales slip noting the purchase price and date.

Pacific Specialty Insurance Company

17. INFLATION GUARD

A 3% increase to the limit of liability shown on the Declarations page of the policy for the insured dwelling (Coverage A), personal property (Coverage C), and loss of use (Coverage D) will be applied at renewal.

18. CHANGES ON POLICY

Coverages and limits (above the minimum) may be increased or decreased, added or deleted, during the term of the policy. Additional or return premium shall be computed on a pro rata basis.

19. CANCELLATION OF INSURANCE

- A. It is not permissible to cancel any of the mandatory coverages provided unless the entire policy is canceled. Coverage C, D, E and F are mandatory for this policy.
- B. If the policy is canceled at the request of either the insured or the company, the return premium shall be 100% of the pro rata unearned premium.

20. TRANSFER OR ASSIGNMENT

- A. Transfer of the policy to another location within the state is allowed provided the new location meets eligibility requirements and there is no change in ownership.
- B. Assignment of insurance under the policy is not allowed.

Transfers are subject to any necessary adjustment(s) of premium.

21. TERRITORIAL ZONES

Territories	Description	Territories	Description
007	San Francisco County	044	Kern County
009	Los Angeles County 2	045	All Other
030	City of San Jose	046	City of San Diego
031	Santa Clara County	047	San Diego County 1
032	San Mateo County	048	Orange County
033	Contra Costa County	049	Santa Barbara 1, Ventura 1 Counties
034	Marin County	050	Riverside 1, San Bernardino 1 Counties
035	Sonoma County	051	Santa Barbara 2, Ventura 2 Counties
036	Monterey, San Luis Obispo 1, Santa Cruz County	052	Riverside 2, San Bernardino 2 Counties
037	Del Norte, Humbolt, Mendocino, Napa, Solano 1	053	San Diego County 2
038	City of Sacramento	054	City of Berkeley, City of Oakland
039	Placer, Sacramento, Yolo Counties	055	Alameda County
040	City of Fresno	056	City of Los Angeles
041	Fresno County	057	City of Long Beach
042	San Joaquin County	058	Los Angeles County 1
043	Stanislaus		

22. RESERVED FOR FUTURE USE

Pacific Specialty Insurance Company

23. FIRE PROTECTION DEFINITIONS

The Protection Class listings in the Public Classification Manual apply to risks insured under this program.

- A. In a municipality or other classified area where a single classification number is shown, use that classification number for all properties located in that classified area.
- B. In a classified area where two or more classification numbers are shown (e.g. 6/9 or 6X), the applicable classification number is determined based on the distance to a responding fire station.
 - 1. For properties located five road miles or less from a responding fire station use the second protection class shown (e.g. 6/9 or 6/6X, use class 9 or 6X).
 - 2. For properties located more than 5 road miles from a responding fire station, use class 10.
- C. In a classified area serviced by a subscription-type fire department, use class 10 for properties that do not subscribe.
- D. Use class 10 for all properties not classified.