



HOMEOWNERS MANUAL



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INTRODUCTION



INTRODUCTION

CFM Insurance, Inc. is a farm mutual insurance company operating under Sections 380.201 to 380.591 of the farm mutual laws of Missouri for the purpose of insuring farm and residential property located throughout the state. CFM offers different types of policies covering fire, wind, hail, lightning, theft, and other broadened and specified perils. It is our intent to offer available coverages at a fair and reasonable cost to both small and large property owners by carefully underwriting property.

The agent is a very important part of CFM since he/she will make the first evaluation of a risk to be insured. The agent must inspect all new properties and gather the information necessary to properly rate the risk. Each new risk submitted should be personally underwritten by the agent. All agents must know the product they are selling to their insured to ensure that all of the needs of the insured are met at an affordable cost.

Together, we can achieve competitive rates for insureds, increased business and profitable loss experience for agents and CFM. All guidelines set forth in this Agent Manual are subject to final underwriting discretion and may be amended as necessary.

BINDING AUTHORITY

A CFM agent may bind coverage on qualified single dwelling risks not exceeding \$500,000 on the dwelling itself. Underwriter approval is required to bind coverage over \$500,000.

The total insured value of all property at one location shall not exceed \$4 million. Larger risks will need prior underwriting approval.

Binding authority is limited on certain Inland Marine property. Certain limits must have prior underwriting approval before binding coverage. The system will prompt you to submit for approval if those limits have been met.

Binding authority is also related to the expectation that the agent will have underwritten each risk considered and will bind coverage only on those risks which are determined to meet the company's underwriting requirements regarding wiring, heating, and condition of the structure as well as the insured being a desirable risk financially and morally.

Accurate insurance to value, rigorous underwriting, and excellent judgment are essential for the agent and company to achieve a profitable loss ratio. Rate structures are based, in part, on an established coverage percentage of insurance to value.

It is required that the agent inspect each risk on which coverage is bound and that pictures showing all sides of the dwelling and all structures on the premises are submitted with the completed application.

FIRE PROTECTION CLASSIFICATION

The location of the building(s) determines its fire protection classification as defined below:

Protected Buildings located within five road miles of a responding fire department and:

1. within 1,000 feet of a fire hydrant; or
2. within 1,000 feet of a year-round water source of at least 3,500 gallons and the responding fire department is equipped to respond with pumper truck capabilities; or
3. the responding fire department is equipped to respond with pumper/tanker truck capabilities of at least 3,500 gallons; are to be classified as Protected, as follows:
 - Protected 1 (P1) One mile or less from responding fire department
 - Protected 2 (P2) More than one mile, but two miles or less from responding fire department
 - Protected 3 (P3) More than two miles, but three miles or less from responding fire department
 - Protected 4 (P4) More than three miles, but four miles or less from responding fire department
 - Protected 5 (P5) More than four miles, but five miles or less from responding fire department

Partially Protected Buildings located within five road miles of a responding fire department but that do not otherwise qualify for the Protected classification are to be classified as Partially Protected, as follows:

- Partially Protected 1 (PP1) One mile or less from responding fire department.
- Partially Protected 2 (PP2) More than one mile, but two miles or less from responding fire department.
- Partially Protected 3 (PP3) More than two miles, but three miles or less from responding fire department.
- Partially Protected 4 (PP4) More than three miles, but four miles or less from responding fire department.
- Partially Protected 5 (PP5) More than four miles, but five miles or less from responding fire department.

Unprotected Buildings that do not qualify for the Protected or Partially Protected classifications are to be classified as Unprotected, as follows:

- Unprotected 6 (UP6) More than five miles, but six miles or less from responding fire department.
- Unprotected 7 (UP7) More than six miles, but seven miles or less from responding fire department.
- Unprotected 8 (UP8) More than seven miles, but eight miles or less from responding fire department.
- Unprotected 9 (UP9) More than eight miles, but nine miles or less from responding fire department.
- Unprotected 10 (UP10) More than nine miles, but ten miles or less from responding fire department.
- Unprotected 15 (UP15) More than ten miles, but fifteen miles or less from responding fire department.
- Unprotected 20 (UP20) More than fifteen miles, but twenty miles or less from responding fire department.
- Unprotected 25 (UP25) More than twenty miles, but twenty-five miles or less from responding fire department.
- Unprotected 30 (UP30) More than twenty-five miles, but thirty miles or less from responding fire department.
- Unprotected 35 (UP35) More than thirty miles, but thirty-five miles or less from responding fire department.
- Unprotected 40 (UP40) More than thirty-five miles, but forty miles or less from responding fire department.
- Unprotected 45 (UP45) More than forty miles, but forty-five miles or less from responding fire department.
- Unprotected 45+ (UP45+) More than forty-five miles from responding fire department.

BILLING

A. **New Policies:**

The first policy payment must be submitted with all new policies. The exception will be new business that is mortgagee billed. Home office will direct bill the mortgagee. New policies with a balance due resulting from underwriting or rating adjustments in the Home Office will be billed directly from the Company and must be paid to the Company within 30 days of the invoice date to avoid automatic cancellation.

B. **Endorsements or Changes:**

Additional premium or return premium will be applied to the next policy billing if that billing is within 30 days. For future billings beyond 30 days, the new premium will be billed or refunded to the insured or mortgagee. (Policy billing is done 15 days in advance of the due date. Endorsements made during this period will be added or subtracted to the amount of the original bill and re-billed.) All refunds are sent to the insured, unless otherwise noted on the policy.

C. **Cancellations:**

The date of cancellation will be no more than 30 days prior to receipt of the cancellation notice in the Home Office. The only exception to this is a cancellation request accompanied by a declarations page verifying coverage with another carrier or a bill of sale/settlement statement verifying the date the property was sold. In no event will a cancellation be dated prior to the past policy due date. Any policy cancelled for non-payment after the inception date of the policy must have underwriter approval before being rewritten. The insured's signature is required for any cancellation requested by the insured and for policies that are rewritten.

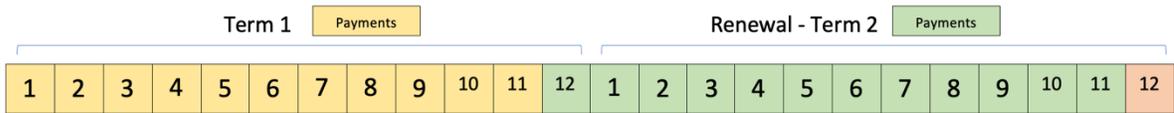
D. **Premium Financing:**

Any installment billing during the policy term will include an additional charge of \$7 for direct billed or \$2 for auto-pay. For an annual term, an additional charge of \$14 per year will be applied for direct billed Semi-Annual installments (\$7 per billing) or \$4 for auto-pay Semi-Annual installments; \$28 per year for direct billed Quarterly installments (\$7 per billing), or \$8 for auto-pay Quarterly installments; and \$24 per year for Monthly installments – **auto-pay is the only option for monthly billing** (\$2 per billing).

E. **Annual Renewals:**

Approximately 45 days before the expiration date, a renewal declaration page is mailed to the insured, 15 days before the due date, an annual billing will be mailed to the insured or mortgagee if applicable. Annual billings may be set up as auto-pay, either as an EFT (Electronic Funds Transfer) direct withdrawals from an insured's checking or savings account, or a card payment method. If the premium payment is not received by the due date, a lapse notice will be sent to the policyholder, agent, and mortgagee, or loss payee, if any.

F. Equity Based Billing Schedule



G. Semi-annual and Quarterly Billings:

Approximately 45 days before the expiration date, a renewal declaration page is mailed to the insured, and 15 days before the due date, a semi-annual or quarterly billing will be mailed to the insured. Semi-annual and quarterly billings may be set up as EFT (Electronic Funds Transfer) direct withdrawals from an insured’s checking or savings account, or a card payment method. If the premium payment is not received by the due date, a lapse notice will be sent to the policyholder, agent, mortgagee, and loss payee, if any.

H. Monthly - EFT (Electronic Funds Transfer) Payments:

The first monthly payment (which should include the \$2 billing charge for monthly) must be submitted with the signed Electronic Funds Transfer Authorization Form, and a copy of a voided check if applicable. A copy of the signed authorization form should be uploaded to the policy file and a new form should be acquired whenever a change occurs to the payment method.

I. Credit Card Payments:

We accept MasterCard, Discover and Visa. There is no additional charge for the credit card or debit card payments. The usual billing fee will apply. Payments with credit or debit cards may also be made by phone. Insureds also have the option of paying with check or debit/credit card on the CFM Website/app. When paying by credit card, we will need to know the name on the card, the card number, expiration date, security code, and the address where the card is billed.

J. Flat Cancellation:

Policies will be flat cancelled for nonpayment at the request of the agent, only during the first 30 days after the effective date of the policy.

K. Equity Date and Lapse Notice: If the premium payment is not received by the due date, and the policy is at the end of the equity earned, a lapse notice is mailed to the policyholder, agent, and mortgagee or loss payee, if any. There is a 15-day extension period after the due date in which to pay the premium. If the premium is not received in the system by the end of the 15-day extension period, the policy is automatically cancelled.

L. Reinstatement: \$50 Charge

Reinstatement will be based on underwriter discretion. There will be a \$50 reinstatement fee if the policy qualifies for reinstatement. A statement of no loss will be required if the policy has been reinstated. If the policy does not qualify for reinstatement, the agent may submit a new application for coverage. All underwriting guidelines and restrictions will apply to the new application. The insured will lose any claim-free discount they may have had on the cancelled policy.

M. Insufficient Funds Payments: \$35 Charge:

An insufficient funds payment for initial premium voids the policy. Coverage is thereby cancelled. Renewal policies may remain in force with underwriter discretion if premium, including a \$35 Insufficient Funds charge, is received within 15 days.

N. Agent's Statements:

The Agent's Commission statements can be accessed through Guidewire, and commissions will be deposited into agent's bank accounts no later than the 5th of the following month. Commission statements will include transactions processed through the last working day of the current month.

O. Timely Submissions to Home Office:

Notification of any coverage bound by the agent is to be received in the Home Office within five days of binding such coverage. This applies to all endorsements, new business, or reinstatements. All forms submitted including credit and loss reports are to be completed in full upon submission. If additional information is requested, the agent must respond promptly. Information not received within ten days may result in the rejection of the application or denial of coverage requested.

P. New Business Submissions:

All new business submissions are to include photos of covered (and excluded) structures, any applicable replacement cost estimates (360 Values), appraisals and any other applicable documents per underwriter discretion.

Q. Rating:

Agents may quote a risk using the Guidewire online quoting system. All rating is subject to underwriter's discretion.

R. Policyholder Loss Protection Charge: \$150

The policy fee is a flat amount on every policy issued. This fee will be collected in full on the first payment of the billing cycle. It is considered the base charge for all policies no matter the amount of premium. This amount goes directly to policyholders' surplus and does not cover costs for underwriting, claims, and/or inspections. This helps company reserves stay strong regardless of weather activity and loss experience thus keeping rates competitive for policyholders. This fee is fully earned and will not be refunded or prorated if the policy is cancelled midterm.

CLAIMS

SECTION I COVERAGES (PROPERTY)

1. Submit claims through Guidewire and note any information given to the insured about coverage of the loss. Send Loss Report immediately to the Home Office. Do not hold for bills, estimates, etc.
2. If the loss is urgent, CALL HOME OFFICE. If it is a fire loss, determine responding fire department and determine if the loss is a total or a partial loss. The agent may authorize temporary repairs to protect the property from further damage. The after-hours emergency claims service phone number is (866) 902- 4172.
3. Advise the insured that all theft and vandalism losses must be reported to a law enforcement agency.
4. Questions from insureds regarding claims should be referred to the claims adjuster.



UNDERWRITING



GENERAL UNDERWRITING

The following is a list of general underwriting guidelines that apply to all or most policies. Any exceptions to the general guideline will be noted below each item. For specific underwriting on a particular policy, it will be necessary to refer to that section of the manual.

The following are not eligible for coverage:

Persons with a felony.

Persons with a bankruptcy filed or settled in the past five years are not eligible for coverage.

Persons or Property with a total fire loss, are not eligible for coverage.

Persons with a prior Liability claim require prior Underwriter approval.

Values:

CFM uses the 360Value Cost Estimator for determining replacement values of dwellings and structures. Refer to each section of the manual for specific underwriting guidelines.

Any dwelling built in 1950 or before will be subject to the terms and conditions of Functional Replacement Cost.

Deductibles:

Wind Hail Deductible:

A Wind Hail Deductible will apply on all policies. The Wind Hail Deductible shall be the largest amount of 1% of the Coverage A - Dwelling limit OR the All Other Perils Deductible, for an amount not less than \$2,500.

The Wind Hail Deductible for Coverage E shall be the largest amount of 1% of the Coverage E scheduled item or the All Other Perils Deductible for an amount not less than \$2,500.

All Other Perils Deductible:

The All Other Perils Deductible options available are \$1,000, \$1,500, \$2,500, \$5,000, and \$10,000. Minimum deductible of \$2,500 on dwellings over \$250,000. Minimum deductible of \$5,000 on dwellings over \$500,000 with no deductible credit.

For homes and/or combined building values over \$500,000, the All Other Perils Deductible must be approved by underwriting before binding coverage.

Water Damage:

Any dwelling with a water claim within the past three years requires Underwriting approval before binding coverage. Photos, proof of repairs, etc could be requested at the underwriter's discretion.

Log Home Surcharge:

A surcharge will apply to the base rate of any dwelling of log construction. Log siding is acceptable and will not be surcharged.

Related Private Structures:

Ten percent of the amount of insurance on the dwelling may be applied to cover related private structures that meet the related private structure definition. If the amount of related private structure coverage required is more than the ten percent of the dwelling, the total amount requested will be shown, and the insured will be charged for the amount of coverage in excess of ten percent.

Examples of items that should be scheduled vs included in Coverage B – Related Private Structures:

- Buildings off premises
- Green houses
- Buildings located more than 250 feet from the dwelling
- Buildings with a farming exposure (machinery, livestock, hay, etc. kept in the building)
This would need to be a farm program vs homeowners program

Pictures and dimensions of all buildings insured as related private structures must be submitted with the application. Any buildings on the premises not insured as related private structures or insured as an outbuilding, should be described, and excluded under Coverage B – Related Private Structures. Please submit photos of any excluded structures on the premises.

Roof:

Roof should be in good condition. If the agent inspection shows need of repair or signs of a deteriorating condition, please note on the application so the appropriate exclusion or restriction can be shown on the declaration page of the policy.

All roofs (regardless of type) over 15 years old, will be insured for Actual Cash Value. Underwriter discretion may be used to exclude or restrict any roof. Dwellings with wood shingles, slate or tile roofs are not eligible for coverage. Roof Replacement Cost coverage is available for dwelling roofs under 15 years old written on a FO-2 ACV form with prior underwriting approval for a surcharge.

Any dwelling with a corrugated metal roof may only be written on an FO-1 or FO-2 with Actual Cash Value coverage and with prior underwriter approval.

Any dwelling with a flat roof may be eligible for FO-1 policy coverage only with prior underwriting approval.

Solar Panels:

Solar panels must be insured to 100 percent of their replacement cost and pictures must be submitted with the application. If the total value is over \$25,000 a copy of the original invoice is required. Solar panels mounted on the dwelling roof will be considered as part of Coverage A – Dwelling for claims purposes and should be figured into the Coverage A -Dwelling amount. This should be included on the 360 Value and total value for Coverage A. Solar panels mounted on the ground, on related private structures (Coverage B), or on farm buildings or structures (Coverage E) should be scheduled accordingly under Coverage E Solar Panels.

Asbestos:

Asbestos siding and/or roofing on any dwelling will be excluded. This exclusion also applies to debris removal and disposal.

Wood Shake Siding:

Any dwelling with wood shake siding must have prior underwriter approval.

Stucco:

Any property with stucco must have prior underwriter approval.

Boat Docks:

Boat docks located on the Primary Dwelling premises may be insured under Coverage B – Related Private Structures, with ten percent of the Dwelling coverage to apply up to \$2,500. If the coverage required is over \$2,500, or if the Boat Dock is located off premises, it must be scheduled on the Boat Dock line item for the full value found under the Inland Marine section. This coverage also includes Boat Lifts. Weight of ice, sleet or snow coverage is NOT available on boat docks. Shared docks are not eligible for coverage.

Greenhouses:

Greenhouses will not be covered under Coverage B – Related Private Structures. They must be insured as a Type 3 building. They do not qualify for weight of ice, sleet or snow, replacement cost coverage, or special form coverage. Commercial Exposures are not allowed.

Guesthouses:

Guesthouses located on the same premises as the insured dwelling should be insured under Coverage E Dwelling. Any personal property owned by the insured and located in the guesthouse should be insured under Coverage E – Household Contents.

Duplexes:

Duplexes may be insured on all dwelling forms AS LONG AS both sides of the duplex are owned by our named insured. When adding liability coverage for a duplex where one unit is owner occupied, the other unit will be considered as a separate rental property and charged appropriately.

Tiny Houses:

Tiny Homes have a mandatory \$1,500 deductible and minimum value of \$30,000. The Tiny House must be set on a permanent foundation with an approved water and sewage system. Tiny Homes must be insured 80% of 360 value cost estimator if insuring for replacement cost value. Tiny homes do not qualify for form 3 coverage or expanded replacement cost.

Seasonal Property:

Seasonal property may be written on the applicable policy, depending on the value, age, and condition of the dwelling. The application must indicate seasonal occupancy. There must be supporting coverage IN THE AGENCY. It should be remembered that there will be property that is not insurable. It is the agent's responsibility to reject such risks which are obviously uninsurable.

Seasonal property must meet the underwriting requirements of the form in which it is written. Refer to the appropriate section for underwriting requirements. A Repair or Rebuilding Endorsement will apply.

Properties that are involved in Home Sharing programs, i.e. Airbnb, VRBO, etc. are not allowed.

Vacant Dwellings:

Vacant dwellings will be required to be written on their own policy. Vacant policies insure dwellings which will be temporarily vacant. Dwellings that are vacant and have no plans for future occupancy are subject to underwriting discretion. Vacant dwellings will be reevaluated at each renewal. Theft and vandalism will be excluded. Premises only liability is allowed. FO-563 REPAIR OR REBUILDING REQUIREMENT will be applied to the policy. There must be supporting coverage IN THE AGENCY.

Builders Risk:

New construction should be written in the program for which it would qualify upon completion. An endorsement will be attached to Builders Risk policies affording \$5,000 theft coverage on building materials. Additional limits of theft of building materials are available to purchase. Agent must notify CFM and submit pictures when dwelling is complete, and the Builders Risk Endorsement will be removed at that time. Only dwellings being newly constructed are acceptable and coverage must be written at the start of construction. A 360Value Cost Estimator must be submitted with the application. A Builders Risk Completed Value Form will be attached to other structures under construction.

All-Terrain Vehicles (ATVs):

All-terrain vehicles (ATVs) will be insured under the Inland Marine coverage in *the Farm Program only*. If the property does not qualify for a Farm policy, the ATV will need to be insured with a recreational vehicle policy written through an auto carrier.

Swimming Pools:

Above-ground swimming pools will be insured under Coverage C – Personal Property. In-ground swimming pools will be insured under Coverage B – Related Private Structures. If the coverage required is over \$2,500, the pool must be scheduled in the Optional Coverages section for the entire value. See liability section for specific underwriting requirements and restrictions.

Contract of Sale:

Policy will be written in the name of the buyer with the seller being shown as the mortgagee - contract of sale owner. A copy of the contract is required.

Inflation Guard:

An automatic adjustment of limits endorsement may be included on all replacement cost policies.

Theft and Vandalism:

Theft and Vandalism are included at no additional charge on dwellings, buildings, and personal property, but coverage is excluded when caused by the insured or any resident of the dwelling insured.

EXCEPTION: Theft and Vandalism are excluded on Dwellings that are vacant.

Weight of Ice, Sleet or Snow:

Weight of Ice, Sleet or Snow coverage is included on Type 1 and Type 2 Buildings only. Buildings must be good to superior in design construction and state of repair and must have a continuous masonry or concrete foundation under all exterior walls. If pole construction, the poles must be treated and fastened to a concrete foundation or concrete pads in the bottom of post holes. This coverage is not available on greenhouses, fencing, boat docks, or any buildings on form FO-1 or Vacant policies.

OPTIONAL COVERAGES

The following are optional coverages available on all or most policies. Any exceptions will be noted below each item.

Cosmetic Damage:

The Cosmetic Damage Exclusion will be applied to all policies. The insured may buy back cosmetic damage coverage if certain underwriting requirements are met. Replacement cost coverage on the structure is required. If coverage is desired, we must have current photos of the structure with requested coverage.

Submersible Pumps:

Each policy provides \$1,500 automatic coverage for the perils named in the policy. Replacement Cost coverage is available to purchase subject to the FO-364 Replacement Cost Provision For Well Pumps. ***This coverage is only for pumps that are used to service the dwelling.***

Water Damage – Sewers, Drains, and Sumps:

Deductible \$250

Limits available are \$5,000 coverage, \$10,000 coverage, or \$25,000 coverage. Provides coverage up to respective limit for direct physical loss to covered property caused by water which backs up through sewers or drains. Agent discretion should be used in offering this coverage. If there have been past water damage claims to the property, obtain complete details of the claim and damage. If you have doubts as to whether the property qualifies for this coverage, contact the Home Office.

EXCEPTION: This coverage is not available on Form 1 Dwellings.

Inland Flood Coverage:

This endorsement will be available on dwellings built after 1950. Water Damage coverage must be purchased. If the option does not appear then coverage is not available for that location. ***The limits and deductibles must be the same as Water Damage.***

Equipment Breakdown Coverage:

Deductible \$500

This endorsement will be added automatically to all policies. This provides coverage for direct physical loss to covered property that is caused by an "equipment breakdown". Equipment Breakdown means physical loss or damage caused by mechanical breakdown; electrical or electronic breakdown; or rupture, bursting, bulging, implosion or steam explosion. Refer to endorsement for complete details and exclusions.

Service Line Coverage:

Deductible \$500

This endorsement will be added automatically to all policies insuring a Dwelling or Mobile Home unless the insured opts to decline the coverage. This provides coverage for direct physical loss to "service line covered property" that is caused by a "service line occurrence" at the primary residence. It does not cover "service line covered property" that provides service to Coverage E – Farm Barns, Buildings, and Structures. Refer to endorsement for complete details and exclusions.

Earthquake:

A 15 percent deductible with a minimum of \$250 applies separately to:

- Each building or structure for which earthquake premium has been paid;
- Personal property in each building or structure for which earthquake premium has been paid; and
- Each item covered under coverage F for which earthquake premium has been paid.

New requests for earthquake will not be accepted for 30 days following an earthquake occurrence with a magnitude of 5.0 or more on the Richter scale. This moratorium will apply only to risks within a 300-mile radius of the earthquake epicenter. Agent must specify which items (dwelling, contents, or buildings) are to be insured for earthquake coverage.

ZONE 2 – EARTHQUAKE NOT ALLOWED – DO NOT BIND

Zone 2 counties include:

Bollinger	Cape Girardeau	Mississippi	Pemiscot	Stoddard
Butler	Dunklin	New Madrid	Scott	

ZONE 3 – UNDERWRITING APPROVAL REQUIRED BEFORE BINDING

ZONE 3

Zone 3 counties include:

Carter	Madison	Reynolds	St. Francois	Wayne
Iron	Perry	Ripley	St. Genevieve	

ZONE 4

Zone 4 counties include:

Andrew	Clay	Henry	Monroe	Ralls
Atchison	Clinton	Holt	Montgomery	Ray
Audrain	Crawford	Howell	Nodaway	Shannon
Bates	Daviess	Jackson	Oregon	St. Charles
Boone	DeKalb	Jefferson	Osage	St. Louis
Buchanan	Dent	Johnson	Phelps	Texas
Caldwell	Franklin	Lafayette	Pike	Warren
Callaway	Gasconade	Lincoln	Platte	Washington
Cass	Gentry	Maries	Pulaski	Worth

ZONE 5

Zone 5 counties include the remainder of the state.

EXCEPTION: Earthquake coverage is not available on FO-1 dwellings, Type 3 Buildings, or Solar Panels.

DISCOUNTS AVAILABLE

Senior-Citizen Discount

A discount is applied on policies if one named insured is at least 62 years of age.

Millennial Discount

A discount is applied on policies if one named insured is 18-35 years old.

Claim Free Discount

A discount is available if the policy has three years of claim free history with CFM. To qualify for the discount, the policy must have been with CFM for a minimum of three years. Any claim paid on the policy will result in the loss of the discount at the next policy renewal and until a minimum of three years has passed without a claim.

Masonry Discount

The masonry discount will apply when at least 66.6 percent of the total exterior wall area of the dwelling must be of masonry or masonry veneer. Earth contact homes will be considered as masonry for rating purposes. (Stucco does not qualify for masonry discount.)

Central Fire and/or Burglary Alarm System

To qualify for this credit the system should notify a Central Station. (Central Station is a system which signals automatically to and is recorded in a central station always having trained operators in attendance.)

Internet Connected Monitoring Device

A discount is available for internet connected monitoring devices such as ROOST, Nest, etc..

Auto-Home Discount

A discount will be allowed for insureds who have an auto policy with the agency. CFM reserves the right to audit the agency records or request a dec page at any time to verify compliance. Discount may be applied to existing business at renewal.

Legacy Discount

A discount may be applied to policies whose insureds are the 2nd (or more) generation of their family to carry CFM insurance. Discount may also be applied to parents' policy.

Military/Veteran Discount

A discount may be applied to policies whose insureds who are currently in the military or are veterans.

Education/Public Safety Discount

A discount may be applied to policies whose insureds who are current or retired teachers, policemen, firemen, paramedics, first responders, EMTs, and nurses.

Traditions Discount

A discount may be applied to all policies when the insured is a 2nd (or more) generation farmer.

Agriculture Association Discount

A discount is available on policies if named insured is a member of the Cattleman's Association or Soybean Association.

WOOD HEAT GUIDELINES

Any use of solid fuel heating must be inspected by the agent, photos submitted to the company, and a notation made on the policy. Coverage should not be bound for risks with solid fuel heating that do not meet the guidelines outlined below. It will be the agent's responsibility to obtain this information when the risk is initially inspected.

Standard Fireplace: Photos required, no wood heat form required, Wood Heat Surcharge does not apply.

Fireplace with Insert: Photos required, no wood heat form required, Wood Heat Surcharge applies.

Indoor Solid Fuel or Wood Heat (including Pellet Stoves): Photos required, wood heat form required, Wood Heat Surcharge applies.

Outside Solid Fuel or Wood Heat: Must be a minimum of ten feet from any structure. Photos required, wood heat form required, Wood Heat Surcharge applies. *Exception: If the solid fuel device is located 20 feet or more from any structure, the surcharge will be waived.*

Solid Fuel or Wood Heat systems which are not professionally installed must have prior underwriting approval and be insured with Form 1 or Form 2 ACV coverage only.

Risks in which Solid Fuel or Wood Heat is the only source of heat, the policy must be written with FO-1 coverage and have prior underwriting approval.

Barrel or Homemade stoves are NOT ACCEPTABLE in any dwelling or outbuilding.

Solid fuel and wood heat are not allowed in:

1. Non-owner occupied dwellings;
2. Single-wide and double-wide manufactured and modular homes; unless factory installed or have prior underwriting approval.

Standard factory installed fireplaces are allowed.

Foundation:

The foundation for a Solid Fuel or Wood Heat system must be flat, level, and solid. It needs to be monitored regularly for settling, shifting, and any other disrepair.

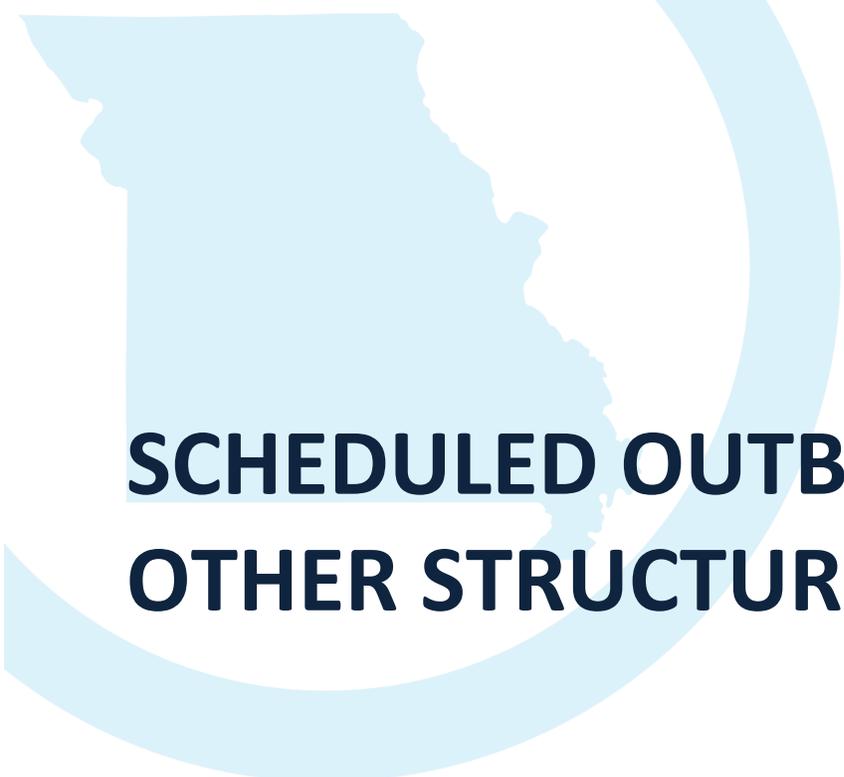
Chimney:

Only tile lined masonry chimneys or factory-built UL approved double walled insulated metal chimneys or masonry chimneys which have been lined with an acceptable slurry mix (Ahrens or Chimfex) or a stainless-steel UL approved lining are acceptable.

Minimum clearance from combustibles is:

Type of Protection	Radiant	Circulator	Stove Pipe
None	36"	12"	18"
1/4" Asbestos Mill Board (Spaced out 1")	18"	6"	12"
28 Gauge sheet Metal (Spaced out 1")	12"	4"	9"

Coverage E Buildings – Other Structures				
Barns and Outbuildings Type 1	Replacement Cost, Special Form, Weight of Ice Sleet or Snow <i>Included</i>			
Barns and Outbuildings Type 2	Replacement Cost, Special Form, Weight of Ice Sleet or Snow <i>Included</i>			
Barns and Outbuildings Type 3	Actual Cash Value, Weight of Ice, Sleet or Snow Not Included			
Coverage E Dwelling and Contents	Actual Cash Value, Weight of Ice, Sleet or Snow Not Included			
Fencing	Actual Cash Value, Weight of Ice, Sleet or Snow Not Included			
Solar Panels (Coverage B, Ground, Coverage E)	Actual Cash Value, Weight of Ice, Sleet or Snow Not Included			
Discounts				
Traditions Discount	Optional	Optional	Optional	Optional
Legacy Discount	Optional	Optional	Optional	Optional
Military/Veteran Discount	Optional	Optional	Optional	Optional
Education/Public Safety Discount	Optional	Optional	Optional	Optional
Millennial Discount	Optional	Optional	Optional	Optional
Senior-Citizen Discount	Optional	Optional	Optional	Optional
Auto/Home Discount	Optional	Optional	Optional	Optional
Agriculture Association Discount	Optional	Optional	Optional	Optional



SCHEDULED OUTBUILDINGS & OTHER STRUCTURES



SCHEDULED OUTBUILDINGS & OTHER STRUCTURES

CLASSIFICATIONS

NO FARMING USE (ON OR OFF PREMISES)

- **Type 1: Minimum amount of insurance \$2,000 – Replacement Cost Coverage**
The building must be a manufactured or Morton type building, fully utilized by the owner, and be in superior repair and condition. Building age must be 25 years or newer. It must be enclosed on at least three sides, have a permanent foundation or poles set at least four feet in the ground, and insured a minimum of 80 percent to value using the 360Value Cost Estimator calculated to determine Replacement Cost. Replacement Cost coverage and Special Form Coverage, including weight of ice, sleet and snow are included.
- **Type 2: Minimum amount of insurance \$2,000 – Replacement Cost Coverage**
The building must be fully utilized by the owner and be in superior repair and condition. It must be enclosed on at least three sides, have a permanent foundation or poles set at least four feet in the ground, and insured a minimum of 80 percent to value using the 360Value Cost Estimator calculated to determine Replacement Cost. Replacement Cost coverage and Special Form Coverage, including weight of ice, sleet and snow are included.
- **Type 3: Actual Cash Value Coverage**
The building must be structurally sound, well maintained and insured for a minimum of \$12 per square foot of floor space. This may be a building that is not currently being used or does NOT qualify for weight of ice, sleet and snow coverage. Type 3 buildings do not qualify for Replacement Cost Coverage or Special Form Coverage.
- **Greenhouses – Actual Cash Value Coverage**
Greenhouses will not be covered under Coverage B – Related Private Structures. They must be insured as a Type 3 building. They do NOT qualify for weight of ice, sleet and snow, Replacement Cost Coverage, or Special Form Coverage. Commercial exposures are not allowed.
- **Fencing – Actual Cash Value Coverage**
No woven or barbed wire fencing allowed. Vinyl fencing must be insured for a minimum of \$10 per linear foot, with a maximum of \$25 per linear foot. All other fencing must be insured for a minimum of \$6 per linear foot. Photos of the fencing are required. Fencing does NOT qualify for weight of ice, sleet and snow, Replacement Cost Coverage, or Special Form Coverage.

COVERAGE PROVIDED BY FORM

	FO-1	FO-2	FO-3	FO-4	FO-6
All Risk on Residence			X		
Fire or Lightning	X	X	X	X	X
Windstorm or Hail	X	X	X	X	X
Explosion	X	X	X	X	X
Riot or Civil Commotion	X	X	X	X	X
Aircraft	X	X	X	X	X
Vehicles	X	X	X	X	X
Sudden & Accidental Damage from Smoke	X	X	X	X	X
Sinkhole Collapse	X	X	X	X	X
Volcanic Action	X	X	X	X	X
Vandalism	X	X	X	X	X
Theft	X	X	X	X	X
Falling Objects		X	X	X	
Weight of Ice, Snow, or Sleet		X	X	X	
Sudden & Accidental Tearing Apart, Cracking, Burning, or Bulging		X	X	X	
Accidental Discharge or Overflow of Liquids or Steam		X	X	X	
Freezing		X	X	X	
Sudden & Accidental Damage from Artificially Generated Electrical Currents		X	X	X	
Emergency Removal	X	X	X	X	X
Debris Removal	\$1,500/occur	\$1,500/occur	\$1,500/occur	\$1,500/occur	\$1,500/occur
Increased Cost - Ordinance of Law	X	X	X		
Fire Department Service Charge	\$500/occur	\$500/occur	\$500/occur	\$500/occur	\$500/occur
Credit Card, Forgery, & Counterfeit Money	\$1,500/occur	\$1,500/occur	\$1,500/occur	\$1,500/occur	
Trees, Plants, Shrubs, or Lawns	X	X	X	X	
Grave Markers	\$1,500/occur	\$1,500/occur	\$1,500/occur	\$1,500/occur	
Glass Breakage	X	X	X	X	X
Outdoor Antennas	\$1,500/occur	\$1,500/occur	\$1,500/occur	\$1,500/occur	
Well Pumps	\$1,500/occur	\$1,500/occur	\$1,500/occur		
Private Power & Light Poles	\$1,500/occur	\$1,500/occur	\$1,500/occur		
Refrigerated Food Spoilage	\$500/occur	\$500/occur	\$500/occur	\$500/occur	
Collapse			X	X	
Tenant's Improvements				X	



DWELLING



FORM FO 3 – REPLACEMENT COST

UNDERWRITING

Occupancy:

Owner Occupied, Seasonal/Secondary

Value:

Minimum insurable value - \$150,000.

Maximum Binding Authority - \$500,000.

Dwelling must be insured for a minimum of 90 percent of 360Value Cost Estimator which is calculated with accurate information on the dwelling. Home quality grade must be Standard or better when calculating the 360Value.

Deductibles:

Wind Hail Deductible:

A Wind Hail Deductible will apply on all policies. The Wind Hail Deductible shall be the largest amount of 1% of the Coverage A - Dwelling limit OR the All Other Perils Deductible, for an amount not less than \$2,500.

The Wind Hail Deductible for Coverage E shall be the largest amount of 1% of the Coverage E scheduled item or the All Other Perils Deductible for an amount not less than \$2,500.

All Other Perils Deductible:

The All Other Perils Deductible options available are \$1,000, \$1,500, \$2,500, \$5,000, and \$10,000. Minimum deductible of \$2,500 on dwellings over \$250,000. Minimum deductible of \$5,000 on dwellings over \$500,000 with no deductible credit.

For homes and/or combined building values over \$500,000, the All Other Perils Deductible must be approved by underwriting before binding coverage.

Foundation:

Foundation must be concrete block or continuous masonry construction and in excellent condition.

Wiring:

Wiring must be romex of proper gauge, have proper junction boxes, with a modern breaker box, and wired to local code requirements.

General:

- If dwelling was built before 1960 it does not qualify for this coverage.
- Must have excellent housekeeping, show pride of ownership, be well maintained, and must meet underwriting guidelines shown in liability section of this manual.
- Must have central forced air furnace, thermostatically controlled furnace, or electrical heat.
- SOLID FUEL OR WOOD HEAT IS NOT ACCEPTABLE AS THE PRIMARY SOURCE OF HEAT. Supplemental wood heat is acceptable. Refer to the Wood Heat Guidelines section.
- Manufactured, modular, double-wide and single-wide mobile homes do **NOT** qualify for coverage.

Repair or Rebuilding Endorsement:

This endorsement applies if the risk is seasonal. This may also be applied at the discretion of underwriting.

Expanded Replacement Cost:

This endorsement is included if the risk meets the below criteria.

- Insurance score of a level 1
- Insured 100 percent of 360Value
- Coverage A value of a minimum of \$250,000
- Dwelling built in the last 25 years

If the dwelling is over 25 years old, this coverage is available at an additional charge.

COVERAGE

- FO3 Special Form with Dwelling Replacement Cost
 - 10% of Dwelling limit will apply to Coverage B - Related Private Structures
 - 70% of Dwelling limit will apply to Coverage C - Personal Property
 - 50% of Dwelling limit will apply to Coverage C - Personal Property if Actual Cash Value is selected
 - 20% of Dwelling limit will apply to Coverage D - Additional Living Expense if owner occupied or seasonal/secondary dwelling
 - Dwelling values may be adjusted annually for inflation

FORM FO 2 – REPLACEMENT COST

UNDERWRITING

Occupancy:

Owner Occupied, Seasonal/Secondary

Value:

Minimum insurable value - \$100,000.

Maximum Binding Authority - \$500,000.

Dwelling must be insured for a minimum of 80 percent of 360Value Cost Estimator which is calculated with accurate information on the dwelling.

Deductibles:

Wind Hail Deductible:

A Wind Hail Deductible will apply on all policies. The Wind Hail Deductible shall be the largest amount of 1% of the Coverage A - Dwelling limit OR the All Other Perils Deductible, for an amount not less than \$2,500.

The Wind Hail Deductible for Coverage E shall be the largest amount of 1% of the Coverage E scheduled item or the All Other Perils Deductible for an amount not less than \$2,500.

All Other Perils Deductible:

The All Other Perils Deductible options available are \$1,000, \$1,500, \$2,500, \$5,000, and \$10,000. Minimum deductible of \$2,500 on dwellings over \$250,000. Minimum deductible of \$5,000 on dwellings over \$500,000 with no deductible credit.

For homes and/or combined building values over \$500,000, the All Other Perils Deductible must be approved by underwriting before binding coverage.

Wiring:

Wiring must be romex of proper gauge, have proper junction boxes, with a modern breaker box, and be wired according to local code.

Foundation:

Foundation must be concrete block or continuous masonry construction and in good condition. If manufactured, modular, double-wide or single-wide, must be permanent foundation or fully skirted.

General:

Property insured on an FO-2 Replacement Cost policy includes dwellings which do not qualify for the FO-3 program but are in better underwriting condition and qualify for more than actual cash value coverage.

Any dwelling built in 1950 or before will be subject to the terms and conditions of Functional Replacement Cost.

- Must have excellent housekeeping and be well maintained. Must meet underwriting guidelines shown in liability section of this manual.
- Must have central forced air furnace, thermostatically controlled furnace, or electrical heat.
- SOLID FUEL OR WOOD HEAT IS NOT ACCEPTABLE AS THE PRIMARY SOURCE OF HEAT. Supplemental wood heat is acceptable. Refer to the Wood Heat Guidelines section.
- Manufactured, modular, double-wide, and single-wide mobile homes **DO** qualify for coverage. Single-wide mobile homes must be no more than 15 years old.

Repair or Rebuilding Endorsement:

This endorsement applies if the risk is seasonal. This may also be applied at the discretion of underwriting.

COVERAGE

FO2 Broad Form with Dwelling Replacement Cost

- 10% of Dwelling limit will apply to Coverage B - Related Private Structures
- 50% of Dwelling limit will apply to Coverage C - Personal Property
- 20% of Dwelling limit will apply to Coverage D - Additional Living Expense if owner occupied or seasonal/secondary dwelling
- Dwelling values may be adjusted annually for inflation

FORM FO 2 – ACTUAL CASH VALUE

UNDERWRITING

Occupancy:

Owner Occupied, Seasonal/Secondary

Value:

Property insured on an FO-2 Actual Cash Value policy must be insured for a minimum of \$40 per square foot of floor space.

Maximum Binding Authority - \$500,000.

Deductibles:

Wind Hail Deductible:

A Wind Hail Deductible will apply on all policies. The Wind Hail Deductible shall be the largest amount of 1% of the Coverage A - Dwelling limit OR the All Other Perils Deductible, for an amount not less than \$2,500.

The Wind Hail Deductible for Coverage E shall be the largest amount of 1% of the Coverage E scheduled item or the All Other Perils Deductible for an amount not less than \$2,500.

All Other Perils Deductible:

The All Other Perils Deductible options available are \$1,000, \$1,500, \$2,500, \$5,000, and \$10,000. Minimum deductible of \$2,500 on dwellings over \$250,000. Minimum deductible of \$5,000 on dwellings over \$500,000 with no deductible credit.

For homes and/or combined building values over \$500,000, the All Other Perils Deductible must be approved by underwriting before binding coverage.

Foundation:

Foundation must be concrete block or continuous masonry construction and in good condition.

Wiring:

Wiring must be romex of proper gauge, have proper junction boxes, with a modern breaker box or fuse box, and wired to local code requirements. Fuse boxes must have prior underwriting approval before binding.

General:

- Must have good housekeeping and be well maintained. Must meet underwriting guidelines shown in liability section of this manual.
- Must have central forced air furnace, thermostatically controlled furnace, or electrical heat.
- SOLID FUEL OR WOOD HEAT IS NOT ACCEPTABLE AS THE PRIMARY SOURCE OF HEAT. Supplemental wood heat is acceptable. Refer to the Wood Heat Guidelines section.
- Manufactured, modular, double-wide, and single-wide mobile homes **DO** qualify for coverage.
- Single-Wide Mobile Home minimum insurable value is \$5,000. If purchased within the last 12 months, the purchase price could be the insured amount. If more than 15 years of age or less than ten feet wide, coverage should be written at \$7 per square foot, unless a greater value can be justified by additions or improvements to the manufactured home.

Repair or Rebuilding Endorsement:

This endorsement applies if the risk is seasonal. This may also be applied at the discretion of underwriting.

COVERAGE

- FO2 Broad Form with Actual Cash Value
 - 10% of Dwelling limit will apply to Coverage B - Related Private Structures
 - 50% of Dwelling limit will apply to Coverage C - Personal Property
 - 20% of Dwelling limit will apply to Coverage D - Additional Living Expense

FORM FO 1 – ACTUAL CASH VALUE

UNDERWRITING

Occupancy:

Owner Occupied, Seasonal/Secondary, or Vacant

Value:

Property insured under an FO-1 policy must be insured for a minimum of \$25 per square foot.

Deductibles:

Wind Hail Deductible:

A Wind Hail Deductible will apply on all policies. The Wind Hail Deductible shall be the largest amount of 1% of the Coverage A - Dwelling limit OR the All Other Perils Deductible, for an amount not less than \$2,500.

The Wind Hail Deductible for Coverage E shall be the largest amount of 1% of the Coverage E scheduled item or the All Other Perils Deductible for an amount not less than \$2,500.

All Other Perils Deductible:

The All Other Perils Deductible options available are \$1,000, \$1,500, \$2,500, \$5,000, and \$10,000. Minimum deductible of \$2,500 on dwellings over \$250,000. Minimum deductible of \$5,000 on dwellings over \$500,000 with no deductible credit.

For homes and/or combined building values over \$500,000, the All Other Perils Deductible must be approved by underwriting before binding coverage.

Foundation:

Foundation must be in good condition.

Wiring:

Wiring must be romex, have proper junction boxes, with a modern breaker box or fuse box, and wired to local code requirements. Fuse boxes must have prior underwriting approval before binding.

General:

FO-1 policies are intended to provide basic coverages restricted to Actual Cash Value on dwellings which do not meet the underwriting guidelines for FO-2 Broad Form. The property may have some physical risk shortcoming or may not be insurable in the amounts required by FO-2 Broad Form policies.

- Must have good housekeeping and be well maintained. Must meet underwriting guidelines shown in liability section of this manual.
- Must have central forced air furnace, thermostatically controlled furnace, or electrical heat.
- SOLID FUEL OR WOOD HEAT IS NOT ACCEPTABLE AS THE PRIMARY SOURCE OF HEAT. Supplemental wood heat is acceptable. Refer to the Wood Heat Guidelines section.
- Manufactured, modular, double-wide, and single-wide mobile homes **DO** qualify for coverage.
- Single-Wide Mobile Home minimum insurable value would be \$5,000. If purchased within the last 12 months, the purchase price could be the insured amount. If more than 15 years of age or less than ten feet wide, coverage should be written at \$7 per square foot, unless a greater value can be justified by additions or improvements to the manufactured home.

Repair or Rebuilding Endorsement:

This endorsement applies if the risk is seasonal. This may also be applied at the discretion of underwriting. This endorsement will apply to all dwellings and structures insured on Vacant policies.

Vacant:

Vacant dwellings will be required to be written on their own policy. Vacant policies insure dwellings which will be temporarily vacant. Dwellings that are vacant and have no plans for future occupancy are subject to underwriting discretion. Vacant dwellings will be reevaluated at each renewal. Theft and vandalism will be excluded. Premises only liability is allowed. FO-563 REPAIR OR REBUILDING REQUIREMENT will be applied to the policy. There must be supporting coverage IN THE AGENCY.

COVERAGE

FO1 Basic Form with Actual Cash Value

10% of Dwelling limit will apply to Coverage B - Related Private Structures

FORM FO 4 – REPLACEMENT COST

UNDERWRITING

Occupancy:

Owner Occupied

Value:

Minimum value - \$10,000

Deductible:

Wind Hail Deductible:

A Wind Hail deductible will apply on all policies. Wind Hail Deductible shall be the largest amount of 1% of the Coverage C – Personal Property limit OR the All Other Perils Deductible, for an amount not less than \$2,500.

The Wind Hail Deductible for Coverage E shall be the largest amount of 1% of the Coverage E scheduled item or the All Other Perils Deductible for an amount not less than \$2,500.

All Other Perils Deductible:

The All Other Perils Deductible options available are \$1,000, \$1,500, \$2,500, \$5,000, and \$10,000.

Farm Coverages Wind Hail Deductible:

The Farm Coverages Wind Hail Deductible shall be the largest amount of the All Other Perils Deductible OR \$2,500.

General:

- Personal Property must be located in a Dwelling with a working smoke detector.
- Must have a central forced air furnace, thermostatically controlled furnace, or electrical heat.
- A standard fireplace is allowed at no charge.
- SOLID FUEL OR WOOD HEAT IS NOT ACCEPTABLE AS THE PRIMARY SOURCE OF HEAT. Supplemental wood heat is acceptable. Refer to the Wood Heat Guidelines section.
- Personal Property must be located in a Dwelling which meets all liability underwriting guidelines shown in the liability section of the agent's manual.
- Personal Property must be located in a Dwelling with a continuous masonry foundation. Foundation must be structurally sound and in good repair.

COVERAGE

FO4 – Renters Form with Broad Form perils

Personal Property Replacement Cost

20% of Personal Property limit will apply to Coverage D - Additional Living Expense



PERSONAL LIABILITY UNDERWRITING GUIDELINES

The Personal Liability Coverage Forms provide broad coverage tailored to meet the personal loss exposures of today's insureds. To maintain competitive premiums, care must be taken in the underwriting of insureds and their liability exposures. Coverage must be written only on well-maintained risks that show pride of ownership and only persons with reputable backgrounds should be considered as insureds. Supporting property coverage is required.

The primary underwriting responsibility in selecting risks rests with the agent. The agent's knowledge of applicants and community conditions can be invaluable. The agent's inspection of the property and complete reporting of the facts concerning the property and applicant are particularly important when binding a Personal Liability Policy. Since the policy embodies risks of both individuals and their property, applications should be solicited only from persons with a good loss history and no unusual liability hazards.

All questions on the application must be completed.

Applications are not to be submitted on the following individuals:

- Applicant, spouse, or resident of household who has incurred a liability loss within the past three years.
- Applicant, spouse, or resident of household who has had any claim(s) involving dogs within the past three years. This would include dog bites, or any other type of dog related bodily injury or physical damage claims.
- Applicant, spouse, or resident of household who has a trained guard dog, a Staffordshire Terrier (Pit Bull, American Bull Terrier, or Yankee Terrier), a Rottweiler, a wolf hybrid (Tundra Shepherd), an Akita, a Chow, a Presa Canario, a Doberman, a dog which has bitten someone, a dog of mixed breed which includes any of the prohibited breeds, or any animal which has vicious tendencies.
- Applicant, spouse, or resident of household who owns or keeps any animals or reptiles commonly considered by the general public to be wild and potentially dangerous by nature, regardless of past claim(s) history. Examples include, but are not limited to: bears, mountain lions, cougars, pythons, rattlesnakes, skunks, etc. (Agents are encouraged to check with the underwriter prior to binding or submitting if uncertain of acceptability).
- Applicant, spouse, or resident of household whose habits or living conditions show a lack of responsibility for property or for rights of others.
- Applicant, spouse, or resident of household who has ever been convicted of a felony.
- Applicant, spouse, or resident of household who has been engaged in illegal activities of any kind or who has a history of falsifying a claim or purposely destroying their own property.
- Applicant, spouse, or resident of household who hires employees under 16 years of age to perform hazardous tasks, including the operation of farm machinery.

- Applicant, spouse, or resident of household whose principal business is raising, breeding, or using horses for riding, racing or show purposes. The boarding of horses for others for a fee is not acceptable.
- Applicant, spouse, resident of household, or any farm employee who has over two moving violations or two or more at fault accidents within the past three years and who will be operating farm equipment.

Applications are not to be submitted on the following property:

- Property with a business operation other than permitted (See Liability Coverages and Options).
- Property with debris or lack of maintenance.
- Property with fences in poor condition or lacking maintenance. (To be acceptable, fences should meet the definition of "lawful fence" in the Missouri Fence Law as follows.)

272.210. As used in sections 272.210 to 272.370 the following words and terms have the following meanings:

"Lawful fence", a fence with not less than four boards per four feet of height; said boards to be spaced no farther apart than twice the width of the boards used fastened in or to substantial posts not more than twelve feet apart with one stay, or a fence of four barbed wires supported by posts not more than 15 feet apart with one stay or 12 feet apart with no stays, or any fence which is at least equivalent to the types of fences described herein;

"Stay", a vertical member attached to each board or wire comprising the horizontal members of the fence.

- Property with machinery in poor operating condition.
- Property with machinery lacking safety devices designed for use with equipment (i.e. power takeoff guards, slow moving vehicle signs, operating lights, etc.)
- Property where livestock has frequently escaped.
- Property with unfenced inground or above ground swimming pools. To be eligible, fences must completely surround pool, be at least four feet high, and have a self-locking gate.
- Rental Property with a swimming pool or wood heat.
- Any swimming pool with a diving board or slide where the minimum depth is not at least eight feet deep.
- Watercraft or ATVs if driver's record for violations and accidents exceed the following guideline: Only one minor moving violation and one minor not-at-fault accident within the last three years.
- Jet skis or watercraft with greater than 200 horsepower motors.
- Property where U-pick operations are allowed.

- Property with trampolines without a safety enclosure and spring cover pads.
- Bed and Breakfast.
- Short term rentals.
- Retaining walls that pose a fall hazard without natural vegetation or a railing to restrict access.
- Risk with stairways with more than five steps that do not have a handrail in place, or any risk with porches or decks with more than five steps that do not have a handrail in place.
- Any premises with care for others, caring for six or more persons.
- Property with a Saw Mill operation on premises.
- Property with a Zip Line exposure.

The agent has no authority to bind coverage in excess of \$1,000,000 Liability limits. Each policy must carry its own liability coverage if required.

PERSONAL LIABILITY AND COMMERCIAL LIABILITY GENERAL GUIDELINES

Personal Liability is designed to be written on risks not to exceed 40 acres or risks where there are no more than one large animal or farming operations.

Eligibility:

Personal Liability Coverage - Form GL-1

Personal Liability coverage may be provided for a person maintaining a residence.

Commercial Liability Coverage (Premises Only) – Form GL-600

Commercial Liability coverage may be provided for dwelling and buildings if worldwide liability coverage is not required. Commercial Liability should be utilized for seasonal and vacant policies.

The following is not eligible:

- Manufacturing, processing, freezing or dehydrating operations.
- Roadside stands.

Program Description:

Mandatory Coverages

Following is a general description of the coverages provided by Forms GL-2 and GL-610. The coverage parts state the complete conditions.

Coverage L – Liability

Coverage L pays on behalf of the insured for damages due to bodily injury or property damage caused by an occurrence arising out of the insured premises or the insured's personal activities.

Coverage M - Medical Payment to Others

Coverage M pays medical expenses, incurred by persons who are not insureds, for bodily injury related to the insured premises or the insured's personal activities.

Limits of Liability

The basic limits of liability for each coverage are:

Coverage L	\$100,000 Per Occurrence
Coverage M	\$10,000 Per Person

Higher limits of liability for Coverage L are available. All mandatory and optional coverages are

written at the same limit.

Additional Interests:

Personal Liability coverage may be extended to include the additional interests described below. Coverage is limited to the specific insurable interest in the premises or operations. There is an additional charge for this coverage for each additional interest.

- A corporation that owns or leases the premises and is financially controlled by the insured.
- A person or organization with an interest in the insured's location.

Additional Insured:

An additional named insured is a resident of the named insured's household who is not related to the insured and would not otherwise be covered as a named insured under the policy. This includes a couple that is not married but resides in the same dwelling. This endorsement provides world-wide personal acts for all additional insureds listed. All parties listed proportionately share the limits of the policy. There is an additional charge for this coverage for each additional insured.

Trusts and Other Entities:

When insuring trusts and other entities, it is important to remember "who" is needing coverage. A trust does not require world-wide personal acts, but the owner of the trust does. It is recommended that policies are written in the name of the owner of the trust and list the trust as an additional interest on both the property and liability. An entity can be listed as the named insured provided the liability is for premises and operations coverage only, and the owner of the entity has a personal liability to cover world-wide personal acts elsewhere. A copy of the trust document is required. Please contact an underwriter if you need help with a unique situation involving trusts and other entities to be sure that all parties are covered.

Required Coverages:

Coverage is required for the following exposures if they exist:

- All residence premises of the named insured.
- All premises of the named insured.
- All acreages owned and/or leased by the named insured.

Liability Coverages and Options:

Residence - A residence includes incidental garages.

Business Pursuits

Coverage is included for on premises incidental business pursuits with gross receipts less than \$2,000. Coverage is available for business pursuits with gross receipts exceeding \$2,000 and less than \$40,000, with no employees.

Eligible Activities:

- Antique Shop on premises
- Appliance Repair Shop on premises
- Bait Shop on premises
- Beauty or Barber Shop on premises
- Cabinet/Handicraft Shop on premises
- Carpentry – odd jobs
- Custom Corn Shelling
- Farm Product Salesman
- Incidental Retail/Service NOC
- Landscaping – laying out nursery grounds, planting trees, flowers and lawns – excludes tree trimming, bulldozing, and excavations
- Sewing/Upholstery Shop
- Shearing of Sheep
- Use of Tractor – commercial for snow removal, plowing gardens – includes coverage for use of attachments

It will be necessary to indicate on the application the type of business to be covered so that it will be properly rated.

Ineligible Activities:

- Appraisers (home appraisers and/or inspections)
- Archery or gun ranges, including skeet or trap shooting
- Auctioneers
- Bed & Breakfasts
- Bulldozing, backhoe, or grading
- Campgrounds and/or picnic grounds
- Canned meats
- Catering
- Corn mazes open to public
- Custom butchering
- Custom spraying
- Custom farming and/or custom feeding activities

- Dance studios or exercise classes
- Day care services
- Dog kennels, includes ownership or use of dogs for breeding purposes and boarding of dogs
- Equestrian business activities, meaning commercial activities involving horse boarding, racing stables, breeding, livery, lessons, hoof trimming, and/or shoeing, rental or riding of horses for hire, and hayrides
- Fishing for charge
- Food processing, food preparation, and other food sales such as:
- Fruit orchards open to the public
- Homemade jams, jellies, pies/cakes, etc.
- Hunting on premises, for a charge
- Lawn mowing (ineligible if performed for county or state)
- Livestock dealers
- Machinery rental or repair, including repair of autos and/or farm machinery
- Manufacturing/welding shops
- Manure hauling for hire
- Massage therapy (or any other "hands on procedure", such as tattoos or electrolysis)
- Miniature golf courses or golf driving ranges
- Petting zoo
- Preschools
- Rock quarries
- Sandblasting and/or spray painting
- Sawmills
- Seed corn processing
- Snow removal for business or governmental subdivisions (local, state, or federal)
- Swimming for a charge
- Tanning beds
- Taxidermy
- Tennis/handballs/shuffleboard courts
- Tree trimming

Employee Occupational Liability

This endorsement provides limited coverage for liability arising out of the insured's employment. It affords protection when the employee is held separately or jointly liable for damages arising out of his/her employment.

Occupation Classifications:

- Clerical Office Employees
- Salesman
- Teachers – Coaches, Lab, Shop – Excluding Corporal Punishment
- Teachers – All Others – Excluding Corporal Punishment
- Teachers – Coaches, Lab, Shop – Including Corporal Punishment
- Teachers – All Others – Including Corporal Punishment
- NOC (No Other Category)

Personal Injury

Personal injury coverage is included and extends Personal Liability to include personal injury, meaning bodily harm, shock, or mental anguish which arises out of false arrest, detention, or imprisonment; malicious prosecution; libel, slander, or defamation of character; invasion of the right of private occupancy, wrongful eviction or wrongful entry; or oral, televised, videotaped, electronic, or written publication of material that violates a person's right of privacy.

Identity Theft

Coverage is included at no additional charge, up to \$15,000 for expenses in excess of \$250 incurred by an insured as the direct result of any one identity theft.

Watercraft

Coverage may be provided for watercraft not covered by the policy. For rating purposes, combine the horsepower of all outboard motors used together with any single watercraft owned by the insured.

Ineligible Risks:

- Houseboats or sailboats.
- Personal watercraft; i.e., jet skis.
- Boat operators who do not have their auto insurance with a standard or preferred auto carrier.
- Risks for resort operators where the equipment may be used by many different persons.
- Boats and motors used for commercial purposes or for rent, hire or charter.
- Boats or motors used for racing events.
- Boats with non-marine or converted automobile engines.
- Special or unique type boats such as swamp buggies, amphibious land- watercraft, collapsible boats, air boats, experimental crafts of any type or any homemade boat.
- Boats left on the water except when securely tied from all four angles.
- Risks for persons who have been cancelled, refused renewal, or rejected by another company.

Residential Rental Premises

Coverage for liability arising out of additional residences owned by the insured and rented to others can be added. The additional premium is charged for each residence to be covered. This coverage is available only if the rental home is scheduled on this policy. If the home is written on a CFM policy, the liability would be written on that policy. If the dwelling is not insured or insured with another company, the liability coverage cannot be added. In the case of a duplex, there is a charge for both units

Care Provided for Others Coverage

This endorsement extends coverage for Liability to Public and Medical Payments to Others to insured's in home business if:

- The in-home care service is regularly provided by an insured;
- The insured is compensated for providing the in-home care service to any individual;
- The in-home care service is primarily conducted on the residence premises.

All-Terrain Vehicle Liability – On-Premises and Off-Premises

NOT ALLOWED ON PERSONAL LIABILITY. MUST BE WRITTEN ON FARM PERSONAL LIABILITY.

Unmanned Aircraft Systems

NOT ALLOWED ON PERSONAL LIABILITY. MUST BE WRITTEN ON FARM PERSONAL LIABILITY.

COMMERCIAL LIABILITY (PREMISES ONLY COVERAGE)

The Commercial Liability provides liability coverage for the insured who needs premises only coverage. It may be written on vacant, and seasonal property, with the requirement that the property coverage is also provided by CFM Insurance, Inc.

Principal Coverages:

- Coverage L pays all sums the insured becomes legally obligated to pay for damages due to bodily injury or property damage to which this insurance applies. The policy does not cover Products & Completed Operations or off premises exposures.
- Coverage M pays the medical expenses for bodily injury caused by an accident on the premises. No coverage is afforded the insured or their employees. Expenses must be incurred and reported within one year of accident.
- Coverage O pays for property damage to buildings or parts of buildings that are rented to the insured, if the damage is caused by fire, and the insured is legally liable for the fire damage. A \$50,000 limit is included.

Guidelines:

The property must meet the following guidelines:

- The named insured must be the owner of the property.
- Coverage is limited to one to four family residences.
- Stairs, handrails, and sidewalks must be in good repair and the dwelling well maintained.

In addition to the ineligible risks described in the Personal Liability underwriting rules, the following risks are ineligible for the Commercial Liability:

- Risks with more than one liability claim in the past three years.
- Properties without functional smoke detectors or not up to code.
- Any premises with care for others, caring for six or more persons.
- Property with any water damage in the past two years.

Minimum Limits:

\$100,000 Public Liability
\$10,000 Medical Payments

All-Terrain Vehicle Liability – On-Premises and Off-Premises

NOT ALLOWED ON PERSONAL LIABILITY. MUST BE WRITTEN ON FARM PERSONAL LIABILITY.

Unmanned Aircraft Systems

NOT ALLOWED ON PERSONAL LIABILITY. MUST BE WRITTEN ON FARM PERSONAL LIABILITY



INLAND MARINE



INLAND MARINE

Inland Marine coverage may be added to a policy to cover specified categories of personal property. The coverage provided is for direct physical loss to covered property unless the loss is specifically excluded. Supporting coverage (primary residence), written with CFM is required. Inland marine deductible options are \$250, \$500, or \$1,000.

UNDERWRITING

Eligible Classes:

These rules apply only to property owned by individuals, including eligible property under the control of executors or administrators of an estate.

ATV's and Related Equipment	Golf Equipment	Personal Tools
Boats	Guns	Silverware
Boat Docks and Lifts	Jewelry	Snowmobiles
Coin Collections	Lawn Mowers, Garden Tractors, and Related Equipment	Sporting Equipment
Fire Arts	Miscellaneous	Tack
Furs	Musical Instruments	Unmanned Aircraft Systems (Drone)
Golf Carts		

Ineligible Insureds/Property:

Coverage under these rules may not be written for:

- companies, firms or corporations
- hotels
- universities, colleges or other schools
- dealers, auctioneers, museums, art galleries, art institutions or manufacturers
- farm machinery or livestock
- governmental agencies
- temporary exhibits of fine arts that do not belong to the insured
- television cameras and related equipment
- aerial or radar cameras
- individuals who do not have supporting coverage with CFM
- coin or token-operated devices
- jet skis or personal watercraft

Covered Perils:

Coverage is provided on an "open perils" basis. This means that the form covers risks of direct physical loss to covered property except those losses that are excluded in the form.

Valuation:

All eligible property, with the exception of scheduled fine arts covered by the reporting form, is valued on an actual cash value basis. Scheduled fine arts are valued at the value stated on the declarations. Verification of values will be required.

Territorial Limits:

All eligible property will be covered within the limits of the United States, Canada, and Puerto Rico.

Pictures:

Pictures of items insured will assist with underwriting and establishing values and may be required by underwriting. In many cases, they will be required. It would be wise to obtain pictures to submit with the application, thus saving you the time and expense of returning to the insured for pictures at later date.

Binding Authority:

Binding authority for all agents is limited to \$10,000 on any Inland Marine unless otherwise listed under specific categories. Any coverage limits in excess of binding authority must receive approval from the Home Office prior to binding the coverage. CFM will insure only the classes of property shown. Do not bind coverage for risks other than those shown.

Due to the nature of Inland Marine coverage, the rate charged can vary according to the type of property insured and location. The acceptance of any Inland Marine risk will be the final decision of the underwriter.

Inland Marine insurance may not be written unless we have supporting property insurance business (Primary Residence).

Rates are based on full insurance to value and all policies must be written to 100 percent of value. Every effort must be made to determine values and insure accordingly as coinsurance clauses are frequently required.

Do not bind coverage for risks other than those shown in the following pages. Also see "Binder Restrictions" and "Binder Rules".

Policy Term

The policy term shall be the same as the supporting coverage policy.

Cancellation

The policy must be cancelled in accordance with the terms of the cancellation provisions that apply. Return premium, if any, is computed on a pro rata basis.

Deductible

Deductible options of \$250, \$500 and \$1,000 are available on inland marine items.

ATV'S AND RELATED EQUIPMENT

ATV's may only be insured in the Farm Program. For all other policy types, the insured will be better served with a recreational vehicle policy written through their auto carrier.

BOATS

Maximum coverage per item \$25,000

Eligible Property:

Covers all types of Inboard Boats, Inboard-Outboard Boats, Outboard Boats and Outboard Motors. The motor must not exceed the certified horsepower capacity of the boat. All outboard boats carry a horsepower capacity and load-carrying capacity. This information is generally located inside the boat's transom, where it can be easily read from the operator's position.

Miscellaneous Property - Miscellaneous equipment or accessories, such as anchors, oars, tarpaulins, lights, cushions, life preservers, fire extinguishers, batteries, fuel containers, or horns, may be insured under a special item of the form, and coverage applies to such equipment while it is attached to or contained in or on a boat insured. Additional accessories other than those listed above must be specifically insured by description, serial number and amount of coverage.

Boat Carriers - A boat carrier or trailer may be insured under a special item of the form when the carrier is (1) specially designed to carry a small pleasure craft, (2) exclusively used for the transportation of the particular craft, and (3) constructed so that it is by nature a part of the equipment of the boat rather than an all-purpose trailer. The coverage on such an insured carrier is the same as that on the boat.

This is physical damage coverage on a Broad Form basis except as excluded. The primary policy to which this Inland Marine Policy is attached must include liability coverage for the boat and motor insured here.

Multiple Motors:

Where two or more outboard motors are regularly used together in connection with any single watercraft owned by the Insured, the horsepower of all such outboards shall be accumulated for rating purposes.

Exclusions:

- Wear, tear, gradual deterioration, inherent vice, latent defect, mechanical breakdown or faulty manufacture, corrosion, rust, dampness of atmosphere, freezing or extremes of temperature.
- Loss or damage caused by repairing, adjusting, servicing, or maintenance operation, unless fire ensues and then only for the loss or damage by such ensuing fire.
- Infidelity of the Insured's employees or persons to whom the insured property may be entrusted.

- Loss or damage while operated in any official race or speed test, or while used in any illicit or prohibited trade or transportation.
- Loss or damage while either boat or motor is rented to others, or is being used by the Insured as a public or livery conveyance carrying passengers for compensation.
- Standard war damage exclusion.
- Nuclear exclusion clause.

Underwriting:

Manufacturer, serial, or motor numbers are to be shown for each motor. Serial numbers or other identification must be indicated for each boat.

Outboard Motors

Should be fastened to the boat by a chain that can be detached. This will prevent loss of the motor overboard when it is being put on or taken off.

Do Not Submit:

- Risks for resort operators where the equipment may be used by many different persons.
- Boats and motors used for commercial purposes or for rent, hire or charter.
- Boats or motors used for racing events.
- Boats with non-marine or converted automobile engines.
- Special or unique type boats such as swamp buggies, amphibious land water craft, collapsible boats, air boats, and experimental crafts of any type.
- Boats that are homemade.
- Boats left on the water except when securely tied from all four angles.
- Jet Skis or Personal Watercraft.
- Risks for persons who have been cancelled, non-renewed, or rejected by another Company.
- Risks with cooking facilities.
- Risks without supporting coverage written through CFM Insurance, Inc.
- House Boats.
- Boat operators who do not have their auto insurance with a standard or preferred auto carrier.
- Boats that exceed 50 mph.
- Motors that exceed 200 HP.

RISKS REQUIRING SUBMISSION TO COMPANY BEFORE BINDING:

An application where the applicant or any member of his/her household who operates the boat has been convicted of a moving traffic violation within the last 12 months.

BOAT DOCKS AND LIFTS/HOISTS

Maximum coverage per policy \$50,000

Eligible Property:

The dock must be in good to excellent condition and well maintained by the insured. Supporting coverage is required. **Shared docks are not eligible for coverage.**

A picture of each boat dock should be submitted with the application.

Submit dimensions of the dock including attachments and ramps along with the type and age of the roof. Each item must be specifically scheduled, listing the manufacturer name and limit of insurance. Boat lifts must be described and listed.

Underwriting:

- Collapse or weight of ice, snow or sleet is not available.
- At least two corners of the dock must be anchored to the seawall or bank with steel cable or stiff arms.
- All hoists must be specifically listed if they are to be insured.
- A photo of the dock must be submitted with the application.

COIN COLLECTIONS

Maximum coverage per policy \$10,000

Eligible Property:

Coin collections. Coverage applies to all numismatic property such as rare or current coins, paper money, bank notes, tokens and medals maintained in a collection. Coverage also applies to the cards, display cabinets, containers and frames used with the collection.

Coin Collections may be covered on a blanket basis subject to a 100 percent coinsurance clause. However, coverage for any one item is limited to \$250. An inventory will be required with the application for blanket coverage. An updated inventory may be required on a three year basis.

Coin collections may also be scheduled by individual item, proof set, pages, books, or other groupings on the declarations. The \$250 per item limit does not apply to scheduled items.

Underwriting:

This coverage is only to be used on a limited basis.

Coverage for Theft from Unattended Vehicles is not provided.

Prohibited Risks:

- Risks where property is left in vacant or unoccupied premises.
- Persons who may be careless or irresponsible in handling of their property.
- Persons where the public has easy access to the Insured's working or living quarters.
- Property of dealers or museums.

FINE ARTS

Maximum coverage per item	\$5,000
Maximum coverage per policy	\$25,000

Eligible Property:

Works of art or articles of rarity, historic value or artistic merit, including but are not limited to paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antiques, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac. Glass set in lead sections is not acceptable. CFM does not offer the peril of glass breakage.

All covered items must be scheduled on the declarations, with a description and limit of coverage for each item. A blanket limit of coverage not exceeding ten percent of the total of the limits of coverage for all scheduled items may be applied to cover miscellaneous fine arts. All items covered on a blanket basis are subject to a 100 percent coinsurance clause.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisals must be on the appraiser's letterhead. Updated appraisals may be required on a three-year basis.

Pair and Sets:

The form provides that in case of the total loss of an article or articles which are part of a set that the Company agrees to pay the Insured the full amount of insurance on the set, and the Insured agrees to surrender the remaining article or articles of the set to the Company.

Prohibited Risks:

- Risks where property is left in vacant or unoccupied premises.
- Persons who may be careless or irresponsible in handling their property.
- Persons where the public has easy access to the Insured's working or living quarters.
- Property of dealers or museums.
- Property on display.

FURS

Maximum coverage per item	\$ 5,000
Maximum coverage per policy	\$25,000

Eligible Property:

Furs, garments trimmed with fur, or made principally of fur, imitation furs and fur rugs may be covered. This does NOT include artificial furs of man-made fabrics.

All covered items must be scheduled on the declarations. The schedule must contain a description and limit of coverage for each item. An ensemble such as a coat, muff and hat may be scheduled as a single item.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisal must be on furrier's letterhead. Updated appraisals may be required on a three-year basis.

Scheduling:

Each article must be specifically scheduled including an accurate description and amount of insurance. The application must set forth the cost, date acquired and where purchased.

Underwriting:

RISKS REQUIRING SUBMISSION TO COMPANY BEFORE BINDING:

Any person who has had a fire loss.

Any person for whom insurance has been declined or cancelled by any Company.

Prohibited Risks:

- Students
- Professional entertainers
- Residents of boarding houses
- Professional gamblers
- Persons where the public has easy access to the Insured's working or living quarters.

GOLF CARTS

Maximum coverage per item \$25,000

Eligible Property:

Golf Carts

Coverage may be written only for individuals.

Items may be scheduled on the declarations. The schedule must contain a description and limit of coverage for each item.

Prohibited Risks:

- Persons who travel extensively and take their golf cart with them.
- Risks where there is an unusual fire hazard.
- Risks where equipment is left in vacant or unoccupied premises.
- Persons who may be careless or irresponsible in the handling of their equipment.
- Golfers' equipment held for sale.

GOLF EQUIPMENT

Maximum coverage per policy \$10,000

Eligible Property:

Golf clubs, golf clothing and other golfers' equipment. Subject to certain limitations, golf balls and other types of clothing are also covered.

Coverage may be written only for individuals.

Coverage for golfers' equipment is normally provided on a blanket basis. A single limit of coverage applies to all covered golfer's equipment. An inventory will be required with the application. An updated inventory may be required on the three-year basis.

Items may be scheduled on the declarations. The schedule must contain a description and limit of coverage for each item.

Both scheduled and blanket coverages may be provided by the same policy.

Prohibited Risks:

- Persons who travel extensively and take their golf equipment with them.
- Risks where there is an unusual fire hazard.
- Risks where equipment is left in vacant or unoccupied premises.
- Persons who may be careless or irresponsible in the handling of their equipment.
- Golfers' equipment held for sale.

GUNS

Maximum coverage per policy: \$50,000

Eligible Property:

Guns. All items covered must be scheduled. The schedule must contain a description and limit of coverage for each item.

Scheduling:

Each article must be specifically scheduled listing name of manufacturer, cost, date of purchase, serial number, and amount of insurance. Miscellaneous cleaning and repairing equipment may be blanketed up to ten percent of the policy amount.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisal must be on the appraiser's letterhead. Updated appraisals may be required on a three-year basis.

Coinsurance:

100% coinsurance clause applies separately to each item.

Prohibited Risks:

- Risks involving overseas exposure.
- Guns frequently exhibited.
- Risks where there is an unusual fire hazard.
- Risks where equipment is left in vacant or unoccupied premises.
- Persons who may be careless or irresponsible in the handling of their equipment.
- Gun dealers.

JEWELRY

Maximum coverage per policy \$100,000

Eligible Property:

Items of personal adornment made wholly or partly of silver, gold, platinum or other precious metals. They may contain pearls, jewels, precious or semi-precious stones. Policies that cover engagement rings, wedding rings and bands may be issued in the name of both interested parties whether or not they are residents of the same household.

Scheduling:

Each article must be specifically scheduled, including an accurate description and an amount of insurance. A set may be insured as a unit, but each item in the set must be accurately described.

Agreed Value Coverage:

High valued jewelry items or jewelry items that have an artistic or historic value may be written on an agreed value basis. In this case the limit of coverage shown for these items is the amount that will be paid in the event of a total loss. The items to which this valuation applies must be shown on the declarations.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisal must be on the appraiser's letterhead. The appraisal must contain (1) color and clarity; (2) cut; (3) flaws; (4) size of stones; (5) type of mounting and (6) date of appraisal. Updated appraisals may be required on a three-year basis.

Additional Insureds:

It is permissible to cover engagement and wedding rings in the name of the two interested parties as their interest may appear.

Prohibited Risks:

- Students
- Residents of boarding houses.
- Professional entertainers or professional gamblers.
- Any person where the public has easy access to the Insured's working or living quarters.
- Jewelry dealers.

LAWN MOWERS, GARDEN TRACTORS, AND RELATED EQUIPMENT

Maximum coverage per item: \$25,000

Eligible Property:

Various types of lawn mowers and garden tractors plus miscellaneous equipment used with them. Each mower or tractor must be specifically scheduled, with a description to include the year, make, model, serial number and amount of coverage requested. Any one item of equipment in excess of \$1,000 in value must also be scheduled.

This is coverage for individuals, not large commercial operations. The policy provides coverage against all risks of direct physical loss except as excluded in the policy language.

Loss to covered property will be settled based on the actual cash value at the time of the loss. Actual cash value includes deduction for depreciation.

Prohibited Risks:

- Property left in vacant or unoccupied premises.
- Persons who have poor loss history or are careless in handling their property.
- Property for large commercial operations.

MISCELLANEOUS

Maximum coverage per policy \$25,000

Eligible Property:

Items not qualifying under any other category may be covered as Miscellaneous. Such items may include, but are not limited to: hearing aids, computers, GPS systems, and contact lenses. Contact the underwriter before binding coverage on any Miscellaneous item.

Scheduling:

Each article must be specifically scheduled, including an accurate description and an amount of insurance. A set may be insured as a unit, but each item in the set must be accurately described. The application must set forth the cost, date acquired and where purchased.

Agreed Value Coverage:

High valued items or items that have an artistic or historic value may be written on an agreed value basis. In this case, the limit of coverage shown for these items is the amount that will be paid in the event of a total loss. The items to which this valuation applies must be shown on the declarations.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisal must be on the appraiser's letterhead. Updated appraisals may be required on a three year basis.

Prohibited Risks:

- Students
- Residents of boarding houses.
- Professional entertainers or professional gamblers.
- Any person where the public has easy access to the Insured's working or living quarters.
- Jewelry dealers.

MUSICAL INSTRUMENTS

Maximum coverage per policy \$25,000

Eligible Property:

Musical instruments, including sheet music and other equipment pertaining to and used with musical instruments.

All covered items must be scheduled on the declarations. The schedule must contain a description and limit of coverage for each item.

A blanket limit of coverage not exceeding ten percent of the total of the limits of coverage for all scheduled items may be applied to cover miscellaneous musical instruments and related items.

Prohibited Risks:

- Students, unless residing with parents.
- Professional musicians and professional entertainers.
- Residents of boarding houses.
- Professional gamblers.
- Any person where the public has easy access to the Insured's working or living quarters.
- Dance bands or members of dance bands.
- Persons who travel extensively.
- Rare or antique instruments.

PERSONAL TOOLS

Maximum coverage per policy \$50,000

Eligible Property:

Hand tools and similar items are eligible under this section. This coverage is not intended to cover shop equipment in lieu of fire and extended coverage on shop equipment.

Underwriting:

Small items (such as hand tools) need not be scheduled. Blanket coverage will apply. An inventory will be required for blanket coverage. An updated inventory may be required on a three-year basis.

Larger items should be scheduled by listing manufacturer, model, serial number, value, and approximate age. (Any item valued over \$1,000 should be scheduled.)

Prohibited Risks:

- Risks where equipment is obsolete or over-valued.
- Persons who may be careless with their equipment.
- Persons who have poor loss records.

SILVERWARE

Maximum coverage per policy \$25,000

Eligible Property:

Silverware. This includes gold, silver and pewter ware and items which are plated with gold or silver.

Silverware is normally covered on a blanket basis. However, covered items may be scheduled on the declarations. The schedule must contain a description and limit of coverage for each item.

An inventory will be required with the application for blanket coverage. An updated inventory may be required on a three-year basis. Blanket and scheduled coverages may be provided on the same policy.

Agreed Value Coverage:

Coverage for silverware may be provided on an agreed valued basis. Valued coverage may apply to some or all items of covered silverware. The items to which valued coverage is to apply must be scheduled on the declarations. Items that are part of a set, service or place setting may be scheduled as a single item.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisal must be on the appraiser's letterhead. Updated appraisals may be required on a three-year basis.

Prohibited Risks:

- Persons with poor loss records.
- Risks where unusual fire hazard exists.
- Risks where the silverware is frequently loaned or taken from the Insured's premises.
- Risks requiring submission to the Company before binding.
- Persons who loan their silverware to anyone.
- Persons in the business of entertaining.

SPORTING EQUIPMENT

Maximum coverage per policy \$15,000

Eligible Property:

Archery and other related sporting equipment. All items covered must be scheduled. The schedule must contain a description and limit of coverage for each item.

Scheduling:

Each article must be specifically scheduled listing name of manufacturer, cost, date of purchase, serial number, and amount of insurance. Miscellaneous related equipment may be blanketed up to 10 percent of the policy amount.

Appraisals:

An appraisal is required on any item valued at \$2,500 or more. Appraisal must be on the appraiser's letterhead. Updated appraisals may be required on a three-year basis.

Coinsurance:

100% coinsurance clause applies separately to each item.

Prohibited Risks:

- Risks involving overseas exposure.
- Risks where there is an unusual fire hazard.
- Risks where equipment is left in vacant or unoccupied premises.
- Persons who may be careless or irresponsible in the handling of their equipment.

TACK

Maximum coverage per policy \$25,000

Eligible Property:

Saddles and other tack equipment.

Underwriting:

Small items need not be scheduled. Blanket coverage will apply. An inventory will be required for blanket coverage. An updated inventory may be required on a three-year basis.

Larger items should be scheduled with a description and approximate age. (Any item valued over \$500 should be scheduled.)

Prohibited Risks:

- Risks where equipment is obsolete or over-valued.
- Risks where insured property is used or kept in areas where unusual fire hazard exists.
- Persons who may be careless with their equipment.
- Persons who have poor loss records.

UNMANNED AIRCRAFT SYSTEMS (DRONES)

APPLICABLE TO FARM POLICIES

