

# North Carolina

## Home Product Guide



Safeco Insurance Company of America



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## What's New

### Effective Date of New and Revised Material

Amended: 06/28/07

### Updates

|   |    |
|---|----|
| Consent to Rate section added.  | 6  |
| Personal Injury coverage added.   | 31 |
| Personal Injury credit has been removed as this coverage is not automatically included. | 32 |
| Account Credit section corrected.   | 32 |

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## Forms List

(Effective NB: 04/01/05 RB: 04/01/05)

| Description of Form  | Bureau Form Number                              | CHO Form Number                                  |
|--|---|--|
| Additional Interest Endorsement  |   | 2085/EP  |
| Application<br>Supplemental Application  |   | 4321<br>4319                                     |
| Consent to Rate  |   | 4767   |
| Homeowners Credits Statement   |   | 4246   |
| Policy Forms<br>Quality Crest Form (35)<br>Quality-Plus Form (33)<br>Renters Form (4)<br>Condominium Form (8)    | HE-7W/HE-21<br>HO 00 03<br>HO 00 04<br>HO 00 06 | 4035/NCEP<br>4241/NCEP<br>4239/NCEP<br>4240/NCEP |
| Personal Property Replacement Cost   | HO 04 90  | 4273/NCEP  |
| Request for Change Endorsement   |   | 4009   |
| Scheduled Personal Property<br>Endorsement<br>Quality-Plus Form (33)<br>Renters Form (4)<br>Condominium Form (8) |   | 4005/EP  |

| Description of Form   | Bureau Form Number | CHO Form Number |
|---|--------------------|-----------------|
| Scheduled Personal Property<br>Endorsement – Quality Crest Form<br>(35) |                    | 4006/EP         |
| Windstorm Exterior Paint and Water<br>Proofing Exclusion                | HO 32 86           | 2063/NCEP       |
| Windstorm or Hail Exclusion   | HO 32 94           | 4232/NCEP       |
| Windstorm or Hail Percentage<br>Deductible                              | HO 03 12           | 6228/NCEP       |
| <b>Mandatory Endorsements Automatically Included in the Policy</b>      |                    |                 |
| Business Pursuits   | HO 24 71           |                 |
| Home Day Care Exclusion   | HO 32 96           |                 |
| Inflation Guard – Quality-Plus Form<br>(33)                             | HO 32 18           |                 |
| Inflation Guard – Renters Form (4) and<br>Condominium Form (8)          | HO 32 19           |                 |
| Unit-Owners Coverage A –<br>Condominium Form (8)                        | HO 32 34           |                 |

| Description of Form  | Bureau Form Number | CHO Form Number |
|--|--------------------|-----------------|
| <b>Optional Coverages</b>  |                    |                 |
| Personal Injury  | HO 32 82           |                 |
| Replacement Cost Protection – Quality-Plus Form (33) and Quality Crest Form (35) | HO 04 90           |                 |
| Specified Additional Amount for Coverage A – Dwelling – Quality-Plus Form (33)   | HO 32 20           |                 |
| Option E – Scheduled Personal Property   | HO 04 61           | 4364/NCEP       |
| Option F – Fine Art Breakage Coverage  |                    | 4356/NCEP       |
| Option I – Increased Limits – Business Property                                  | HO 04 12           | 4358/NCEP       |
| Option U – Ordinance or Law Coverage   | HO 04 77           | 4472/NCEP       |
| Option KK – Special Personal Property – Condominium Form (8)                     | HO 32 95           | 4471/NCEP       |
| Option BBB – Watercraft  | HO 24 75           | 4367/NCEP       |
| Option CCC – Permitted Incidental Occupancies (Residence Premises)               | HO 04 42           | 4361/NCEP       |

| Description of Form                        | Bureau Form Number | CHO Form Number |
|--|--------------------|-----------------|
| Option GGG – Home Day Care Coverage        | HO 04 97           | 4357/NCEP       |
| Option BC – Rented Personal Property       | HO 32 21           | 6232/NCEP       |
| Option UU – Refrigerated Property Coverage | HO 04 98           | 4687/NCEP       |
| Option VV – Theft of Building Materials    | HO 32 25           | 6227/NCEP       |

## Consent to Rate

(Amended: 06/28/07)

### Property Underwriting Summary

**Homeowners** - Our home product has ten price points, **condominium** - six price points, **tenant homeowners** - three price points.

Safeco's property pricing tiers give us greater reach to write exposures where additional premium is required. When business is written in a market tier listed in one of the tables below, you must complete and have the customer sign a "Consent to Rate" form. Blank forms are available at our on-line product guide.

### Consent to Rate Procedures

#### New Business:

To complete **Consent to Rate form**:

- 1• Write in the quoted premium on "Surcharged Premium" line.
- 2• Calculate Surcharge Factor by multiplying the Tier Factor times the Territory Factor from tables below.

- 3• To Calculate "Premium w/o Consent to Rate", divide quoted premium by surcharge factor calculated in step 2.
- 4• For "Percent Increase" subtract 1.0 from the Surcharge Factor and convert to a percent by moving decimal 2 places to the right.
- 5• Example Quote H70 in Territory 39 is \$1,000.
  - Surcharged premium is \$1,000.
  - Surcharged factor is H70 Factor x Territory 39 Factor =  $2.3 \times .94 = 2.162$ .
  - Premium without Consent to Rate = Quoted Premium divided by Surcharge Factor =  $\$1,000 / 2.162 = \$462.50$ .
  - Percent increase = Surcharge factor - 1.0 =  $2.162 - 1 = 1.162 = 116.2\%$
- 6• Please click [here](#) for blank Consent to Rate Forms. The form is available in an Adobe format and can be printed and/or saved as one of your documents.

- 7• Write policy number on all Consent to Rate forms and fax to (877)215-6955.

## Consent to Rate Tables - Tier Factors

### Homeowners

| Tier | Factor |
|------|--------|
| H51  | 1.45   |
| H45  | 1.70   |
| H60  | 1.80   |
| H70  | 2.30   |
| H80  | 2.50   |

### Condominium

| Tier | Factor |
|------|--------|
| H60  | 1.18   |
| H70  | 1.29   |

### Renters

| Tier | Factor |
|------|--------|
| H45  | 1.45   |

### Territory Factors

| Territory | 5    | 6    | 34   | 38   | 39   | 42   | 43   |
|-----------|------|------|------|------|------|------|------|
| Factor    | 1.00 | 1.00 | 0.86 | 0.93 | 0.94 | 1.00 | 1.00 |

| Territory | 44   | 46   | 53   | 57   | 61   | 62   | 63   |
|-----------|------|------|------|------|------|------|------|
| Factor    | 0.97 | 0.87 | 0.82 | 0.94 | 0.94 | 0.96 | 0.99 |

| Territory | 64   | 65   | 66   | 67   | 68   | 69   | 70   |
|-----------|------|------|------|------|------|------|------|
| Factor    | 0.96 | 0.96 | 0.94 | 0.92 | 0.82 | 0.84 | 1.00 |

| Territory | 71   | 72   | 73   | 74   | 75   |
|-----------|------|------|------|------|------|
| Factor    | 0.88 | 1.00 | 1.00 | 0.89 | 0.86 |

### Consent to Rate - Renewal Business:

- Please requote the risk as if it was a new business risk on SafecoNow.com. Please make sure the application information of the quote matches the current policy information. The new application should not be uploaded to Safeco as the new application will only be used to determine the information needed for the Consent to Rate Form.

- Call 877-566-6001 and press Option 1 for Personal Lines. Press Option 5 for Underwriting and then Option 1 to reach a Direct Services Auto/Home Underwriter. The Underwriter will give you the premium without Consent to Rate and the estimated surcharged premium.
- Complete the Consent to Rate Form and fax it to 877-215-6955. (The non-renewal will be rescinded on the existing policy once the form is received by Underwriting).



## Eligibility and Rules

### Eligibility

(Amended: 04/08/04)

A policy shall not be issued on property situated on premises used for farming purposes unless farming conducted thereon is only incidental to the occupancy of the premises as a dwelling and farming is not the occupation of the customer.

Only those additional interests or coverages provided for in these rules may be endorsed onto a policy.

Unprotected secondary dwellings are not eligible.

#### **Quality-Plus<sup>®</sup> Homeowners Form (33)**

A homeowners policy may be issued:

- for dwellings and premises that are well maintained; and
- to an owner/occupant of a dwelling which is used exclusively for private residential purposes and contains not more than two units and with not more than two roomers or boarders per unit.

Photographs will be required on all homes located in protection classes 9, 9E, 9S and 10, as well as on all homes built prior to 1950.

#### **Quality Crest<sup>®</sup> Homeowners Form (35)**

*Quality Crest Homeowners Form (35) is currently not available for new business.*

In addition to the eligibility rules listed above for Quality-Plus Form (33), a Quality Crest Form (35) policy may be issued to new business accounts if the dwelling is insured for \$500,000 or more.

Restricted to one- and two-unit dwellings.

#### **Renters Form (4)**

A renters policy may be issued:

- if the Coverage C limit is \$20,000 or more; and
- to the tenant (non-owner) of a dwelling or an apartment situated in any building; or

- to the owner/occupant of a dwelling, cooperative unit or of a building containing an apartment which is not eligible for another homeowners policy form.

### Condominium Form (8)

A condominium policy may be issued:

- if the Coverage C limit is \$20,000 or more; and
- to the owner/occupant of a condominium or cooperative unit which is used exclusively for private residential purposes.

## Basic Coverage Limits

(Effective NB: 04/01/05 RB: 04/01/05)

### Section I – Property Coverages

#### Coverage A – Dwelling

The Coverage A amount is displayed on the declarations page. Selected Coverage A limits should reflect an amount that will allow the customer to rebuild their existing dwelling.

### Coverage B – Other Structures

| Form                          | Coverage B    |
|-------------------------------|---------------|
| Quality-Plus Homeowners (33)  | 10% of Cov. A |
| Quality Crest Homeowners (35) | 20% of Cov. A |
| Renters (4)                   | –             |
| Condominium (8)               | –             |

If additional amounts of Coverage B are required, refer to the **Increased Limits** section.

## Coverage C – Personal Property

| Form                          | Coverage C – Percent of Coverage A Primary Dwelling |                                      |
|-------------------------------|---|--------------------------------------|
|                               | 1- and 2-Unit Dwelling with PPRC*                   | 1- and 2-Unit Dwelling without PPRC* |
| Quality-Plus Homeowners (33)  | 70%   | –                                    |
| Quality Crest Homeowners (35) | 70%   | –                                    |
| Renters (4)                   | –   | –                                    |
| Condominium (8)               | –   | –                                    |

\* Full Value on Personal Property (Coverage C).

If additional amounts of Coverage C are required, refer to the **Increased Limits** section.

## Coverage D – Loss of Use

| Form                          | Coverage D        |
|-------------------------------|-------------------|
| Quality-Plus Homeowners (33)  | 20% of Coverage A |
| Quality Crest Homeowners (35) | 20% of Coverage A |
| Renters (4)                   | 20% of Coverage A |
| Condominium (8)               | 40% of Coverage A |

## Section II – Liability Coverages

### Coverage E – Personal Liability

| Form                          | Coverage E (each occurrence) |
|-------------------------------|------------------------------|
| Quality-Plus Homeowners (33)  | \$100,000                    |
| Quality Crest Homeowners (35) | 300,000                      |
| Renters (4)                   | 100,000                      |
| Condominium (8)               | 100,000                      |

### Coverage F – Medical Payments to Others

| Form                          | Coverage F (each person) |
|-------------------------------|--------------------------|
| Quality-Plus Homeowners (33)  | \$ 1,000                 |
| Quality Crest Homeowners (35) | 10,000                   |
| Renters (4)                   | 1,000                    |
| Condominium (8)               | 1,000                    |

## Basic Premium Definition

“Basic Premium” is defined as the premium charged for the coverages outlined in the description of coverage and basic coverage limits sections for each form, after applying the appropriate deductible credit or debit. It does not include credits or debits for **Increased Limits**, **Optional Coverages**, or **Discounts**.

However, the definition of basic premium for *Quality-Plus Homeowners Form (33)* changes when **Specified Additional Amount of Insurance for Coverage A – Dwelling** and/or **Personal Property Replacement Cost (Coverage C)** are eliminated. Similarly, it changes when personal property replacement cost (Coverage C) is deleted for *Condominium Form (8) and Renters Form (4)*. In these cases only, basic premium will reflect the premium reduction associated with eliminating these coverages.

## Description of Coverage

It is mandatory that insurance be written for all coverages provided under both sections I and II of the homeowners policy.

The following is a general description of the coverage provided by the individual homeowners forms. The policy, forms, endorsement options and appropriate product guide rules should be consulted for details.

### Section I – Property Coverages

#### ***Quality-Plus Homeowners Form (33)***

Covers the dwelling (Coverage A) and other structures (Coverage B) against risk of physical loss (with certain exceptions) and covers loss of use expense (Coverage D). Loss of use is provided when loss from a covered peril is sustained. Personal property (Coverage C) is covered against loss by fire, the usual broad form perils and theft.

**Specified Additional Amount of Insurance for Coverage A – Dwelling** provides up to an additional

25 percent of Coverage A should repair or replacement exceed the Coverage A amount displayed in the declarations page.

**Personal Property Replacement Cost** (Coverage C) and **Specified Additional Amount of Insurance for Coverage A – Dwelling** are automatically included but may be eliminated. **Ordinance or Law Coverage** is included at 10 percent of Coverage A.

#### ***Quality Crest Homeowners Form (35)***

Covers the dwelling (Coverage A), other structures (Coverage B) and personal property (Coverage C) against risk of physical loss (with certain exceptions) and covers loss of use expense (Coverage D). Loss of use (Coverage D) is provided when loss from a covered peril is sustained. **Additional Limits of Liability for Coverages A, B, C and D, Personal Property Replacement Cost** (Coverage C), and ordinance or law coverage are automatically included and may not be eliminated.

#### ***Renters Form (4)***

Covers personal property (Coverage C) and the customer's interest in additions and alterations against loss by fire, the usual broad form perils and theft, and covers loss of use expense (Coverage D). Loss of use (Coverage D) is provided when loss from a covered peril is sustained. **Personal Property Replacement Cost** (Coverage C) is automatically included but may be eliminated.

#### ***Condominium Form (8)***

Covers personal property (Coverage C) against loss by fire, the usual broad form perils and theft, and covers loss of use expense (Coverage D). Loss of use (Coverage D) is provided when loss from a covered peril is sustained.

Condominium building items up to \$2,000 are covered against risk of physical loss (with certain exceptions). Ordinance or law coverage is included at 10 percent of the amount of insurance on condominium building items. **Personal Property Replacement Cost** (Coverage C) may be purchased.

## Section II – Liability Coverages

### *All Forms*

Personal liability (Coverage E) and medical payments to others (Coverage F)

### Additional Coverages Included

#### *Form (35)*

- Additional limits of liability for Coverages A, B, C and D
- Business pursuits (liability for employment as a teacher, clerical office employee, salesperson, collector or messenger)
- Business pursuits of minors
- Credit card, fund transfer card, forgery and counterfeit money coverage, \$5,000
- Computer coverage
- Directors and officers of not-for-profit organizations liability coverage
- Personal property replacement cost
- Land coverage
- Lock replacement coverage
- Ordinance or law coverage
- Power interruption coverage
- Prejudgment interest coverage
- Primary mortgage expense
- Prohibited use – home evacuation
- Property in-vault coverage
- Reasonable expenses incurred by a customer at request of insurance company
- Refrigerated property coverage
- Reward payment
- Section I deductible waiver
- Special coverage on contents
- Water back-up of sewers and drains
- Water damage legal liability coverage
- Witness reimbursement expense

**Forms (33), (4) and (8)**

- Business pursuits (liability for employment as a teacher, clerical office employee, salesperson, collector or messenger)
- Credit card, fund transfer card, forgery and counterfeit money coverage, \$1,000
- Inflation guard endorsement
- Loss assessment \$1,000
- Unit-owners Coverage A \$2,000, Form (8)

**Policy Period**

The policy period shall be one year.

**Changes on Policies**

(Effective NB: 08/01/05 RB: 08/01/05)

Coverages and limits (above the minimum) may be increased or decreased, added or deleted, during the term of the policy by selecting policy change on Safeco Now™ and submitting a change request to us. Additional or return premium shall be computed on a pro rata basis. Amounts of \$3 or less shall be waived.

**Cancellation of Insurance**

It is not permissible to cancel any of the mandatory coverages unless the entire policy is canceled. In Forms (33) or (35) policies, Coverages A, B, C, D, E and F are mandatory. In Forms (4) and (8) policies, Coverages C, D, E and F are mandatory.

If the policy is canceled at the request of either the company or the customer, the return premium shall be 100 percent of the pro rata unearned premium. Amounts of \$3 or less shall be waived.

**Premium Revisions**

Premium revisions shall be made in accordance with the following procedures:

- The effective date of such revisions shall be as announced by the company.
- Changes made under the following provisions may be made effective only on the inception or renewal date of the policy:

*New Business* – If the premium is decreased, a policy issued prior to the effective date of the premium change with an inception date on or after the effective date of the change may be endorsed to the new premium.

*Renewals* – If the premium is decreased, a policy on which an extension certificate has been issued prior to the effective date of the premium change with a renewal date on or after the effective date of the change may be endorsed to the new premium.

## Secondary Dwellings

If the customer owns and occupies or rents and occupies a one- or two-unit dwelling in addition to the customer's primary residence, it is eligible for homeowners coverage but must be insured on a separate policy. Coverage may be written on all forms.

When the customer has a homeowners policy covering either a primary or secondary dwelling and a second policy is written on the other eligible dwelling, deduct \$10 from the basic premium to recognize duplication of coverage. Indicate the existing policy number in the Remarks section of the application.

Indicate and make a liability charge for an additional residence owned and occupied by the customer. The charge is always indicated on the policy insuring the primary residence.

## Temporary Binder

Temporary binder forms may not be used for binding homeowners insurance. New customers may be bound only by using an application form.



## Windstorm or Hail Exclusion – Territories 5, 6, 42 and 43 only

(Amended: 01/19/06)

The perils of windstorm and hail must be excluded in Territories 5, 6, 42 and 43.

The property must be located in an area eligible for such coverage from the North Carolina Insurance Underwriting Association. A windstorm or hail rejection form must be obtained.

| Forms | Credits             |                       |
|-------|---------------------|-----------------------|
|       | Territories 5 and 6 | Territories 42 and 43 |
| (4)   | \$51                | \$37                  |
| (8)   | 73                  | 35                    |

## Fire Protection Rating Plan

- Unless otherwise specifically classified, properties located within the corporate limits of a municipality shall take the protection class of the municipality.
- In a classified area where two or more classifications are shown (for example, 6/9), the classification is determined as follows:

| Distance to Fire Station                               | Class |
|--|-------|
| Five road miles or less with hydrant within 1,000 feet | *     |
| Five road miles or less with hydrant beyond 1,000 feet | 9     |
| Over five road miles                                   | 10    |

\* First protection class (for example, 6/9...use Class 6)

- Rural fire protection districts are areas which have been inspected and for which protection classes are published.
- All other properties are class 10.
- Submit a completed homeowners credit statement with the application or endorsement.

## Construction Definitions

Masonry – A dwelling with walls of masonry or masonry veneered construction.

Frame – A dwelling with walls of frame, or metal-sheathed or stuccoed frame construction, or with walls of metal or metal lath and plaster on combustible supports.

Mixed – A dwelling shall be classed as frame construction when the wall area of frame construction (including gables) exceeds 33.33 percent of the total wall area.

## Deductibles

### Coverage A (Dwelling) Deductibles

(Amended: 08/12/04)

#### All Perils

| All Perils Deductibles           |              |                |
|----------------------------------|--------------|----------------|
| Form (33)                        |              |                |
| Deductible                       | Modification | Maximum        |
| \$ 500                           | 9.0% Credit  | Not applicable |
| 1,000                            | 21.0% Credit | Not applicable |
| 1,500                            | 27.0% Credit | Not applicable |
| 2,500                            | 38.5% Credit | Not applicable |
| Form (35)                        |              |                |
| Deductible                       | Modification | Maximum        |
| \$ 500                           | 7.9% Debit   | Not applicable |
| 1,000                            | Base         | Not applicable |
| 1,500                            | 5.6% Credit  | Not applicable |
| 2,500                            | 15.7% Credit | Not applicable |
| All Territories Except 41 and 45 |              |                |

#### All Other Perils with Percentage Windstorm or Hail

The dollar deductible applies to all other perils except windstorm or hail. The percentage deductible applies to windstorm or hail losses and is applied to the Coverage A limit.

For policy forms (33) and (35), a minimum 2 percent windstorm or hail deductible is mandatory in territories 41 and 45.

The dollar value of the windstorm or hail deductible must be greater than the dollar value of the all perils deductible.

| Optional 1 Percent Windstorm or Hail Deductibles |              |                |
|--|--------------|----------------|
| Form (33)  |              |                |
| Deductible                                       | Modification | Maximum        |
| \$ 500   | 11.0% Credit | Not applicable |
| 1,000  | 22.0% Credit | Not applicable |
| 1,500  | 27.0% Credit | Not applicable |
| 2,500  | 38.5% Credit | Not applicable |
| Form (35)  |              |                |
| Deductible                                       | Modification | Maximum        |
| \$ 500   | 4.5% Debit   | Not applicable |
| 1,000  | 1.1% Credit  | Not applicable |
| 1,500  | 5.6% Credit  | Not applicable |
| 2,500  | 16.9% Credit | Not applicable |
| All Territories Except 41 and 45                 |              |                |

| Optional or Mandatory 2 Percent Windstorm or Hail Deductibles |              |                |
|---|--------------|----------------|
| Form (33)   |              |                |
| Deductible  | Modification | Maximum        |
| \$ 500  | 14.0% Credit | Not applicable |
| 1,000   | 24.0% Credit | Not applicable |
| 1,500   | 29.0% Credit | Not applicable |
| 2,500   | 40.0% Credit | Not applicable |
| Form (35)   |              |                |
| Deductible  | Modification | Maximum        |
| \$ 500  | 2.2% Debit   | Not applicable |
| 1,000   | 4.5% Credit  | Not applicable |
| 1,500   | 10.1% Credit | Not applicable |
| 2,500   | 19.1% Credit | Not applicable |
| All Territories   |              |                |
| Mandatory minimum deductible in Territories 41 and 45         |              |                |

Coverage C (Contents) Deductibles

| Optional 5 Percent Windstorm or Hail Deductibles |              |                |
|--|--------------|----------------|
| Form (33)  |              |                |
| Deductible                                       | Modification | Maximum        |
| \$ 500   | 18.0% Credit | Not applicable |
| 1,000  | 28.0% Credit | Not applicable |
| 1,500  | 33.0% Credit | Not applicable |
| 2,500  | 41.0% Credit | Not applicable |
| Form (35)  |              |                |
| Deductible                                       | Modification | Maximum        |
| \$ 500   | Base         | Not applicable |
| 1,000  | 6.7% Credit  | Not applicable |
| 1,500  | 12.4% Credit | Not applicable |
| 2,500  | 21.3% Credit | Not applicable |
| All Territories                                  |              |                |

| All Perils Deductibles |              |                |
|------------------------|--------------|----------------|
| Form (4)               |              |                |
| Deductible             | Modification | Maximum        |
| \$ 500                 | 10% Credit   | Not applicable |
| 1,000                  | 23% Credit   | Not applicable |
| Form (8)               |              |                |
| Deductible             | Modification | Maximum        |
| \$ 500                 | 10% Credit   | Not applicable |
| 1,000                  | 23% Credit   | Not applicable |
| 2,500                  | 37% Credit   | Not applicable |
| All Territories        |              |                |

## Increased Limits

The following increased limits may be provided by applying the rates below to the amount of increase in the Coverage B or C limit. The deductible debit or credit must then be applied if the customer has not selected the base deductible.

### Section I – Property Coverages Coverage B and Coverage C – Forms (33) and (35)

#### Coverage B – Other Structures

Coverage B may be increased above the **Basic Coverage Limit** (as displayed in the eligibility and rules section) by applying the rate shown below.

| Rate per \$100 |
|----------------|
| \$ .40         |

#### Coverage C – Personal Property

Customers with personal property replacement cost (Coverage C) may increase their Coverage C limits above the **Basic Coverage Limit** (as displayed in the

eligibility and rules section) by the rate shown below if Coverage C is more than 70 percent of Coverage A for Form (35) and 50 percent of Coverage A for Form (33).

Customers without personal property replacement cost (Coverage C) may increase their Coverage C limits above the **Basic Coverage Limit** (as displayed in the eligibility and rules section) by applying the same rate shown below if Coverage C is more than 50 percent of Coverage A for Form (33).

| Rate per \$100 |
|----------------|
| \$ .20         |

**Coverage A – Condominium Building Items  
(Unit-Owners Coverage A – Special Coverage)**

The basic limit of \$2,000 may be increased to the amount desired.

When the increased special limits are purchased, both the basic and increased limits insure against additional perils.

| Rate per \$1,000 |
|------------------|
| \$4              |

**Section II – Liability Coverages**

**Coverage E – Personal Liability – All Forms**

For all forms except Quality Crest Form (35), increased limits for personal liability (Coverage E) of \$300,000 or \$500,000 may be selected. For Form (35), an increased limit of \$500,000 may be selected.

Liability coverage may be provided for secondary dwellings, other than business or farm properties, owned and occupied by the named insured but not insured with us.

| Limit      | Primary Dwelling        |               | Secondary Dwelling      |               |
|------------|-------------------------|---------------|-------------------------|---------------|
|            | Forms (33), (4) and (8) | Form (35)     | Forms (33), (4) and (8) | Form (35)     |
| \$ 100,000 | Base                    | Not available | \$7                     | Not available |
| 300,000    | \$ 8                    | Base          | 8                       | \$ 8          |
| 500,000    | 12                      | \$12          | 9                       | 9             |

**Coverage F – Medical Payments to Others – All Forms**

For all forms except Quality Crest Form (35), increased limits of liability may be provided for medical payments to others (Coverage F). Limits of \$2,000, \$3,000, \$4,000, or \$5,000 may be selected. For Form (35), the medical payments to others limit is \$10,000, which is included in the policy.

| Limits   | Premiums |
|----------|----------|
| \$ 1,000 | Base     |
| 2,000    | \$ 3     |
| 3,000    | 6        |
| 4,000    | 9        |
| 5,000    | 12       |

## Optional Coverages

### Quality Crest Homeowners Form (35)

All options applicable to Quality-Plus Homeowners Form (33) are available to Quality Crest Homeowners Form (35).

### Specified Additional Amount of Insurance for Coverage A – Dwelling – Form (33)

Automatically included but may be eliminated by electing not to apply the 6 percent factor for this coverage to the basic premium calculation.

The Coverage A limit of liability is increased after a loss, up to an additional 25 percent of Coverage A should repair or replacement exceed the Coverage A amount displayed on the declarations page.

### Option A – Additional Limits of Liability for Coverages A, B, C and D – Form (35)

Automatically included and may not be eliminated.

The Coverage A limit of liability is increased, after a

loss, to the amount necessary to repair or replace the damaged or destroyed dwelling. The limits of liability for Coverages B, C and D will also be increased by the same percentage applied to the Coverage A limit. The completion of a current residential cost guide work sheet is required.

### Option B – Personal Property Replacement Cost – Forms (33) and (4)

*Forms (33) and (4)*

Coverage C may be extended on a replacement cost basis to most items of personal property. This coverage is automatically included but may be eliminated by electing not to apply the following factor in the basic premium calculation.



A minimum Coverage C amount of \$20,000 is required for Form (4).

| Forms | Factor |
|-------|--------|
| (33)  | 5%     |
| (4)   | 40%    |

*Form (35)*

Automatically included and may not be eliminated.

## Option D – Personal Property Replacement Cost – Form (8)

Coverage C may be extended on a replacement cost basis to most items of personal property. A minimum Coverage C amount of \$20,000 is required.

| Factor |
|--------|
| .40    |

## Option E – Scheduled Personal Property

The following classes of personal property, owned by the customer, may be scheduled. Give complete descriptions on a scheduled personal property endorsement.

## Category A – Fine Arts – All Forms

| Rate per \$100 |
|----------------|
| \$.30          |

## Category C – Cameras, Guns, Stamp and Coin Collections, Comics and Trading Cards – All Forms

| Rate per \$100 |
|----------------|
| \$1.20         |

## Category F – Furs, Musical Instruments and Property Not Otherwise Classified (Including Electronic Systems) – All Forms

| Rate per \$100 |
|----------------|
| \$.45          |

**Category J – Jewelry – All Forms**

Losses will be settled based on the value at the time of loss subject to the maximum value shown on the declarations.

| Forms             | Rate per \$100 |
|-------------------|----------------|
| (35)              | \$1.05         |
| (33), (4) and (8) | .95            |

**Category S – Silverware – All Forms**

| Rate per \$100 |
|----------------|
| \$.40          |

**Category V – In-Vault Jewelry – Form (35)**

| Rates per \$100 |               |
|-----------------|---------------|
| In-Vault        | Out-of-Vault  |
| \$.20 annual    | \$.30 per day |

Itemized jewelry, described in the policy as “in-vault,” must be kept in a bank vault. There is no coverage for these items while they are out of a vault, unless we agree in advance to cover them.

**Option F – Fine Arts Breakage Coverage – All Forms**

For an additional premium, loss caused by breakage of fine art is covered.

| Rate per \$100 |
|----------------|
| \$.15          |

**Option G – Unscheduled Jewelry Coverage – All Forms**

(Amended: 04/08/04)

For Forms (33), (4) and (8), the basic Coverage C special per item limit of \$1,500 for theft of jewelry, watches, furs, etc., is increased to \$2,000. The aggregate special limit of \$3,000 may be retained or increased to aggregate limits of \$4,000 and \$5,000.

For Form (35), the basic Coverage C special aggregate limit of \$5,000 for theft of jewelry, watches, furs, precious and semi-precious stones, but not exceeding \$1,500 for any one article, may not be increased.

When increased special limits are purchased, both the basic and increased limits insure against risk of physical loss (with certain exceptions). The declarations will show the aggregate amount of coverage (basic and increased limits), and this new limit will represent an additional amount of insurance over Coverage C limits.

| Forms (33), (4) and (8) |           |          |
|-------------------------|-----------|----------|
| Per Item                | Aggregate | Premiums |
| \$1,500                 | \$3,000   | Base     |
| 2,000                   | 3,000     | \$36     |
| 2,000                   | 4,000     | 54       |
| 2,000                   | 5,000     | 72       |

### Option I – Unscheduled Business Property – All Forms

The basic Coverage C special limit of \$2,500 (\$5,000 in Form (35)) for loss of business property may be increased.

The declarations will show the aggregate amount of coverage (basic and increased limits) and this new limit will represent an additional amount of insurance over the Coverage C limit.

The basic Coverage C special limits described above may be increased to a maximum of \$10,000 in increments of \$2,500. The premium for each \$2,500 increase is \$25.

### Option K – Rental to Others – Form (8)

(Amended: 04/08/04)

The policy may be extended to cover personal property of the customer when the residence premises is rented or held for rental to others. Liability coverage is also provided.

Increase **Basic Premium** 25 percent.

### Option U – Ordinance or Law Coverage – Forms (33) and (8)

(Amended: 04/08/04)

With this option, the basic ordinance or law coverage amount of 10 percent of Coverage A is increased to a total of 100 percent of Coverage A.

*Form (33)*

Increase the displayed premium 27 percent.

*Form (35)*

Automatically Included and may not be eliminated.

*Form (4)*

Coverage is not available.

*Form (8)*

Charge \$1 per \$1,000 of Coverage A – Building Items above the 10 percent of Coverage A amount that is covered in the policy itself.

### Option BC – Rented Personal Property – Forms (33), (35) and (8)

(Amended: 04/08/04)

Coverage may be extended to provide \$5,000 personal property coverage for certain landlord's furnishings, on a named perils basis, in an apartment located on the residence premises and rented to others.

| Rate per Policy |
|-----------------|
| \$10            |

### Option KK – Special Personal Property Coverage – Form (8)

(Effective NB: 04/01/05 RB: 04/01/05)

Coverage C may be extended to include additional risks of physical loss (with certain exceptions).

*Form (8)*

Increase the **Basic Premium** 8 percent, or a minimum of \$25.

*Form (35)*

Automatically included and may not be eliminated.

### Option TT – Special Computer Coverage – All Forms

The policy may be extended to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

This option is not available when Option KK has been purchased.

| Rate per Policy |
|-----------------|
| \$15            |

### Option UU – Refrigerated Property Coverage – Forms (33), (4) and (8)

Coverage may be provided for loss to covered property stored in freezers/refrigerators up to \$500, subject to a \$100 deductible.

*Forms (33), (4) and (8)*

| Rate per Policy |
|-----------------|
| \$10            |

*Form (35)*

Automatically included and may not be eliminated.

### Option VV – Theft of Building Materials – Forms (33), (35) and (8)

Coverage may be provided for theft of building materials or supplies for a home under construction by issuing the appropriate form and charging a premium.

| Rate per \$1,000 of Coverage A |
|--------------------------------|
| \$1                            |

### Option BBB – Outboard Motor and Watercraft Liability – All Forms

(Amended: 04/08/04)

*Forms (33), (4) and (8)*

Coverage may be provided for an outboard motor or combination of outboard motors of 25 or more total horsepower by indicating, on the application or endorsement, the number and horsepower of such motors, the length of hull they are mounted on and the ages of all operators of these hulls.

| Limit of Liability | Premium |
|--------------------|---------|
| \$ 100,000*        | \$41    |
| 300,000            | 50      |
| 500,000            | 55      |

\* This limit does not apply to Form (35).

*Form (35)*

Coverage may be provided for an outboard motor or combination of outboard motors of 50 or more total the number and horsepower of such motors, the length of hull they are mounted on and the ages of all operators of these hulls.

Availability of this option is subject to our watercraft underwriting guidelines. This option is not available to motors mounted to hulls insured for physical damage on a separate Watercraft insurance policy.

### Option CCC – Permitted Incidental Occupancies – Residence Premises – All Forms

Liability coverage may be provided for incidental business occupancies in the described premises or in a separate structure on the premises.

The limit of liability must be the same as the personal liability limit.

| Limit of Liability | Premium |
|--------------------|---------|
| \$ 100,000*        | \$17    |
| 300,000            | 21      |
| 500,000            | 23      |

\* This limit does not apply to Form (35).

### Option FFF – Loss Assessment Coverage – All

### Forms

*Forms (33), (4) and (8)*

Coverage may be provided for loss assessment at the following aggregate limits:

| Aggregate Limit per Unit | Premium |
|--------------------------|---------|
| \$ 1,000                 | Base    |
| 11,000                   | \$ 5    |
| 26,000                   | 8       |
| 51,000                   | 13      |

*Form (35)*

Automatically included for \$5,000 and may not be eliminated. The following aggregate limits may be purchased:

| Aggregate Limit per Unit | Premium |
|--------------------------|---------|
| \$ 5,000                 | Base    |
| 10,000                   | \$ 3    |
| 25,000                   | 7       |
| 55,000                   | 13      |

## Option GGG – Home Day Care Coverage – All Forms

Liability coverage may be provided for a day care operation at the residence premises for up to three children.

The limit of liability must be the same as the personal liability (Coverage E) limit.

| Limit of Liability | Premium |
|--------------------|---------|
| \$ 100,000*        | \$114   |
| 300,000            | 141     |
| 500,000            | 154     |

\* This limit does not apply to Form (35).

## Personal Injury

(Amended: 06/28/07)

Personal injury coverage is not included under Coverage E – Personal Liability. However, this coverage can be purchased at a limit of \$100,000 for the option of the named insured. A charge of \$12 will be applied if this coverage is added.

## Discounts

We offer several credits in the homeowners program which are calculated on the basic premium (except for the account credit which applies to the total premium for the policy). Please refer to the definition of **Basic Premium** in the eligibility and rules section.

### Account Credit – All Forms

(Amended:03/08/07)

If the customer has a personal lines auto policy with us, a 15 percent premium credit will be allowed.

This credit will apply to the total premium for the policy. This credit will be discontinued if the auto policy lapses.

### Burglar Alarm Credit – All Forms

#### Option JJ – Alarm Credit

Customers are eligible for a premium credit for the installation of an approved and properly maintained burglar alarm system as follows:

| Type of System                                  | Credit Percentage |
|---|-------------------|
| Local burglar and/or fire or smoke alarm system | 2%                |
| Fire and/or police station alarm                | 3%                |
| Central station burglar and/or fire alarm       | 5%                |

#### Definitions

- Local burglar alarm system is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud-sounding device attached to an outside wall of the residence premises. Disturbance of the protective devices or unauthorized entry automatically causes the sounding device to operate until it is stopped by key control, exhaustion of the power supply or by a timing element set for a definite period of operation.
- Police station burglar alarm system is one in which a local alarm system with supplementary direct circuit or transmitting equipment is connected to constantly attended receiving equipment at a police station.



- Central station burglar alarm system is one in which the operation of circuits and devices are signaled automatically to, recorded in, maintained and supervised from a central station having trained operators and guards who shall, upon receipt of a signal, take required action.

Apply the credit to the **Basic Premium** and round to the nearest dollar.

These credits do not apply to multi-family residence properties unless the entire building meets the above requirements.

The maximum credit that may be applied for any combination of alarm credits and sprinkler credits shall be \$75.

## Newer Home Credit – Forms (33) and (35)

(Effective NB: 04/01/05 RB: 04/01/05)

Dwellings are eligible for a premium credit if they are less than seven years old. The appropriate credit shown below is applied to the **Basic Premium**.

| Age of Dwelling   | 0   | 1   | 2   | 3  | 4  | 5  | 6+ |
|-------------------|-----|-----|-----|----|----|----|----|
| Credit Percentage | 18% | 15% | 12% | 9% | 6% | 3% | 0% |

## Renewal Credit – All Forms

(Amended: 04/08/04)

A credit will be applied to the basic premium for homeowners renewals, if the customer's (or spouse's) primary residence or contents has been continuously insured in one of our personal lines homeowners markets for a minimum of three years. The amount of the credit applied will be based upon the following schedule:

| Number of Years | Amount of Credit |
|-----------------|------------------|
| 0-2             | Not available    |
| 3-5             | 1%               |
| 6+              | 2%               |

The renewal credit will also apply to any secondary location policy also insured with us. Eligibility and amount of credit are determined by the primary residence policy.

However, if a customer voluntarily secures coverage elsewhere and then returns to one of our companies within three years, the credit will be based upon the number of consecutive years accumulated at the time of cancellation or expiration. The actual time away from our company is excluded.

To qualify, the prior policy number and policy period (effective and expiration or cancellation dates) must be submitted.

Apply the credit to the **Basic Premium** for the appropriate deductible. Round the credit to the nearest dollar.

## Sprinkler Credit – Forms (33), (35) and (8)

Customers are eligible for a premium credit for fire sprinkler systems that have been both installed and maintained in accordance with nationally accepted fire sprinkler standards as follows:

| Type of Sprinkler System   | Credit Percentage |
|--|-------------------|
| Automatic sprinkler in all areas except attic, bathrooms, closets and attached structure area that are protected by a fire detector. | 7%                |
| Automatic sprinkler in all areas including attics, bathrooms, closets and attached structure.  | 13%               |

Apply the credit to the **Basic Premium**. Round to the nearest dollar.

The maximum credit that may be applied for any combination of alarm credits and sprinkler credits shall be \$75.

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