

**OHIO
PERSONAL VALUABLES
PRODUCER MANUAL**

**Atlantic Mutual Insurance Company
Centennial Insurance Company**

New Business Valuables Underwriting Guidelines

ATLANTIC MUTUAL INSURANCE COMPANY CENTENNIAL INSURANCE COMPANY

Underwriting Considerations

Primary considerations include:

- Security
- Dwelling Coverage
- Concentration of values
- Lifestyle

Prior Losses

None

Location

Fine Arts located in Florida wind-pool eligible areas are ineligible if Wind coverage is excluded from the policy.

Appraisals

Appraisals less than five years old are required for individual items in excess of \$75,000 in value.

Prior Approval Required

All classes except Miscellaneous

- Total schedule over \$250,000

- Single item over \$100,000

Miscellaneous class

- Total over \$100,000

- Single item over \$50,000

Unset stones

Risks that have been previously declined, canceled or non-renewed

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Introduction - Description of Coverage

Personal Inland Marine is a comprehensive personal lines insurance coverage for the following classes of property: Bicycles, Cameras, Collectibles, Fine Arts, Golfer's Equipment, Miscellaneous Articles, Musical Instruments, Personal Computers, Personal Furs, Personal Jewelry, Silverware, Stamp & Coin Collections.

Eligibility

- A. Policies may be issued only to cover property of an individual or spouse who reside together, members of the insured's family of the same household, except as provided in this rule.
- B. Policies may be issued in the name of unrelated persons who reside together, provided they are bona fide co-owner of the property.

Multiple Company Insurance

Other insurance is not permitted except insurance against causes of loss not covered by our Policy.

Changes

- A. All changes requiring premium adjustments shall be computed on a pro-rata basis, including any premium which was subject to the minimum premium requirement.
- B. No charge will be made and no refunds given when the net change amounts to less than \$3.00, unless requested by the policyholder.

Policy Period

Policies are written for 12 months.

Cancellation or Reductions In Limits of Liability or Coverages

If insurance is cancelled or reduced at the request of either the insured or the company, the earned premium shall be computed on a pro rata basis.

Rate Revisions

A rate revision, meaning any revision of filed rates applicable to Valuables, shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any new or renewal policy, or binder having an effective date on or after the effective date of any such revision.
- C. All endorsements to existing exposures shall be issued using the same rates in effect at the time of policy issuance or renewal issuance. If the existing exposure was added mid-term the endorsement will be issued using the rates in effect at the time the exposure was added.
- D. All endorsements adding new exposures or coverages, regardless of when issued, shall be issued using the rates in effect at the time of endorsement.

General Rules

Whole Dollar Premium

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. This rule applies to all transactions.

Minimum Premium

The minimum premium for a Valuables policy is \$100.00. The minimum premium applies to the total valuables premium, including optional endorsements.

Installments

An additional charge of \$10.00 for a mono-line policy shall be payable with each installment. This charge is waived when the policy premium is automatically debited from a bank account.

The following Installment Options are available: Pre-Paid, One Pay, Two Pay, Four Pay and Ten Pay.

If this policy is written in conjunction with any other policy, the billing is combined and the installment charge is applied to the entire account.

Automatic Debit of Policy Premium

An additional charge of \$10.00 shall be payable each time the funds are not available to cover the automatic debit of policy premium.

Package Discount

All modules written under an Atlantic Mutual or Centennial Master Plan are eligible for a package discount. A Master Plan consists of an Auto, Home, and Umbrella under the same policy number.

The package discount will be applied to the rate for each class of property

Refer to the rate pages for the discount percentage.

Personal Jewelry

1. Property to Which Rules Apply

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

2. Other Articles

- a. Silver, silverware, platedware, pewterware, bullion, gold and other precious metals and unmounted gems are not subject to these Personal Jewelry rules or rates.
- b. All other items such as pens, pencils, flasks, smoking equipment, cigarette cases, trophies and the like, if insured under this endorsement, shall be subject to the Personal Jewelry rules and rates.

3. Risks Involving Two or More Insureds

With respect only to engagement rings, wedding rings, and guard rings, policies may be issued in the name of the two interested individuals, as interest may appear, irrespective of domicile.

4. Jewelry in Vault

Specific items of jewelry may be insured at the reduced rate shown in the rate pages of this manual while contained in a vault situated in a:

- a. Bank, or
- b. Non-bank security facility specializing in in-vault storage service and having acceptable security arrangements. Refer to the Company for eligibility of the non-bank facility.

Furs

1. Property to Which Rules Apply

These rules apply to furs, including imitation furs and fur rugs, and garments trimmed with fur or consisting principally of fur.

2. Schedule Option

An ensemble, such as a coat, muff and hat, may be scheduled as a single item. With the exception of property of this nature, no miscellaneous items can be blanketed.

Cameras

1. Property to Which Rules Apply

These rules apply to cameras, projection machines and articles of equipment pertaining thereto; movable sound equipment pertaining to the recording, projection, reproduction and operation of motion pictures; home Video Cameras, Playback Recorders and articles of equipment pertaining thereto; and miscellaneous property such as films, binoculars, telescopes, microscopes and the like which may be used in conjunction with cameras or photographic equipment when insured with such equipment.

2. Property to Which Rules Do Not Apply

These rules do not apply to television cameras and equipment; coin or token operated devices; cameras or other camera property for account of dealers or manufacturers thereof; or aerial cameras or radar cameras.

Rules

Musical Instruments

1. Property to Which Rules Apply

These rules apply to musical instruments, sheet music and equipment pertaining to musical instruments when written in connection with musical instruments.

2. Definitions

a. Professional

A professional under the rules and terms for this coverage is construed to be a person who teaches or receives any remuneration for playing a musical instrument insured during the term of the policy.

b. Orchestras, Bands, Chamber Music Ensembles and Similar Groups

Orchestras, bands, chamber music ensembles and similar groups shall be construed to be any formally organized group of musicians who perform as a musical unit before the public at regular or frequent intervals. Policies may include instruments owned by bona fide members of such organizations.

NOTE: This is not intended to permit rating as a single risk, a combination of individuals or a combination of bands, orchestras or similar groups because they are members of or controlled by booking agents, unions, associations, sales organizations, professional musical schools or other organizations of a similar set-up.

Silverware

1. Property to Which Rules Apply

These rules apply to individually owned silverware, silver-plated ware, goldware, gold-plated ware and pewterware.

2. Property to Which Rules Do Not Apply

These rules do not apply to pens, pencils, flasks, smoking implements or accessories or articles of personal adornment.

Golfers Equipment

Property to Which Rules Apply

These rules apply to individually owned golf clubs, golf clothing, golf equipment and subject to limitations in the form, golf balls and other clothing of the named insured.

Coins

1. Property to Which Rules Apply

These rules apply to individually owned coin collections and do not apply to dealers or auctioneers.

2. Safe Credit

A credit, as shown in the rate pages of this manual, may be allowed subject to the agreement by the insured to keep not less than 75% (by value) of the property insured in a fireproof safe or vault equipped with a combination lock when such property is not in use or on exhibition.

Stamps

1. Property to Which Rules Apply

These rules apply to individually owned stamp collections and do not apply to dealers or auctioneers.

2. Safe Credit

A credit, as shown in the rate pages of this manual, may be allowed subject to the agreement by the insured to keep not less than 75% (by value) of the property insured in a fireproof safe or vault equipped with a combination lock when such property is not in use or on exhibition.

Bicycles

Property to Which Rules Apply

The rules of this manual apply to all types of bicycles except motor bicycles or any other motor powered conveyances or vehicles of any kind.

Personal Computers

Property to Which Rules Apply

These rules apply to individually owned Personal Computers and articles of equipment used with Personal Computers when insured with such equipment.

Fine Arts

1. Property to Which Rules Apply

These rules apply to private collections of paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.

2. Property to Which Rules Do Not Apply

These rules do not apply to dealers, commercial risks, museums, art galleries or art institutions; property owned by and insured for account of federal, state, county or municipal authorities; or temporary exhibits of property not owned by the insured.

3. Definitions

- a. Primary Location - The permanent premises for the Fine Arts to which, whenever it is removed, it will be returned.
- b. Additional or Secondary Locations - The temporary premises for the Fine Arts private collection which was removed from the primary location.
- c. Other Locations - A separate premises for Fine Arts private collections not falling under Primary and additional Secondary Locations definition.
 1. Private collections are property owned by any individuals that are not dealers, auction rooms, museums, art galleries or art institutions ordinarily open to the public.
 2. The term "private collection" shall not be deemed to include property in the custody of dealers, auction rooms, museums, art galleries or art institutions ordinarily open to the public when insured in the name of such dealers, auction rooms, museum, art galleries or art institutions.

Rules

Collectibles

Property to Which Rules Apply

These rules apply to private collections of rare, unique or novel items of personal interest (for example dolls, banks, guns, model trains, wine) including memorabilia.

Miscellaneous

Property to Which Rules Apply

These rules apply to individually-owned items of a personal nature not previously categorized, but these rules do not apply to the following property: Watercraft, trailers, motorcycles and motorized bicycles, motorized golf carts and other recreational vehicles that are eligible for automobile coverage as miscellaneous type vehicles.

TERRITORIES

The following territories apply to Personal Jewelry and Furs:

Entire State

All rates shown are per \$100 of insurance.

Personal Jewelry

	<u>First \$25,000</u>	<u>Next \$75,000</u>	<u>Entire Risk if over \$100,000</u>
1. Out of vault Entire State	\$1.25	\$1.12	\$1.18
2. In vault Entire state	\$0.30 with surcharge of \$0.0186 per \$100 times the number of days removed from vault		

Furs

Entire State	\$0.35
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Cameras

1. Non- Professional	\$1.50
2. Professional	\$1.80

Musical Instruments

1. Non- Professional	\$0.45
2. Professional	\$0.65

Silverware

\$0.50

Golf Equipment

\$3.00

Coins

\$1.50

Stamps

\$0.45

Bicycles

\$7.00

Personal Computers

\$2.00

Fine Arts (includes breakage)*

	<u>First \$25,000</u>	<u>Next \$75,000</u>	<u>Entire Risk if over \$100,000</u>
PC 1 - 8	\$0.18	\$0.18	\$0.11
PC 9 & 10	\$0.24	\$0.24	\$0.18

* Rates are for frame construction. Apply a 15% credit for masonry construction.

Collectibles

\$0.44

Miscellaneous

\$3.50

Rates

MISCELLANEOUS RATING RULES

Package Discount

The discount is applied to the rate for each class of property: **10%**

Loss Prevention Credit

When primary residence is equipped with a burglar alarm system connected to either a central station monitoring site or directly to the police department a credit is applied as follows:

Apply a **.90** factor to Jewelry for "Out of Vault Coverage Only" and a **.95** factor to Fine Art, Furs, Cameras, Musical Instruments, Silverware, Golfer's Equipment, Coins, Stamps, Bicycles, Personal Computers, Collectibles and Miscellaneous.

Safe Credit for Coins / Stamps

When 75% of the coins/stamps will be kept in a fireproof safe or vault with a combination lock when property is not in use or on exhibition:

Apply a **.90** factor to the Coin and/or Stamp premium.

Blanket Coverage

All classes of property can also be written on a blanket basis. For blanket coverage, charge the same rate for that class of business.

Jewelry Characteristics Debits & Credits

Modification applicable only to schedules in excess of \$100,000

1. Insured	<u>Modification Range</u>
-------------------	----------------------------------

- | | |
|--|------------------|
| a) Away from premises exposure - extent, area or location .. | -10.0% to +25.0% |
| b) Responsibility | 0.0% to +15.0% |
| c) Public Exposure | 0.0% to +15.0% |

NOTE: The combined debit for b) Responsibility and c) Public Exposure cannot exceed 25%.

2. Schedule

Item values, composition, distribution, etc. -10.0% to +25.0%

3. Premises

- | | |
|-------------------------|-----------------|
| a) Type/Occupancy | -5.0% to +15.0% |
| b) Location | -5.0% to +15.0% |

4. Premises

- | | |
|-----------------------|------------------|
| a) On-premises | -15.0% to +25.0% |
| b) Off-premises | -10.0% to 0.0% |

5. Loss Limitations	-25.0% to 0.0%
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1. Insured

a) Away From Premises Exposure:

- (1) High Hazard Travel - is that which involves frequent travel to resort areas (domestic or international) where the Insured uses public accommodations. Here you have high exposure both in transit and at the location of temporary residence.

Modification:

- A. None-10.0% to 0.0%
B. Up to 30 days per year0.0% to +5.0%
C. Between 30 and 60 days0.0% to +15.0%
D. Over 60 days per year0.0% to +25.0%

- (2) Low Hazard Travel - is generally confined to vacation and weekend travel, to a permanent secondary residence.

Modification:

- A. None.....-10.0% to 0.0%
B. Up to 60 days per year0.0% to +5.0%
C. Over 60 days per year0.0% to +10.0%

Debits and credits for high and low hazard travel will be determined separately, then added (subject to a maximum credit of 10% and a maximum debit of 25%).

Debits may be decreased: a) where less than 10% of the total dollar value of the schedule is involved; b) for items worn all the time.

- b) Responsibility - has to do with the Insured's reliability, maturity and ability to care for property. Can he be relied upon to prudently protect his property against loss or does the way he conducts his life increase our degree of risk? The circumstances of past losses may be helpful in evaluating this area. In all cases, if there is evidence of increased exposure to any of the above, a maximum debit of 15% should be applied.
- c) Public Exposure - deals with the degree to which the Insured is in the public eye. Celebrities of all types would fall into this category, and in all instances the maximum debit of 15% should be applied.

Rates

2. Schedule

- a) Item Values - relate to the value of one or more items in proportion to the total schedule. Many schedules subject to this plan will have at least one item which, in itself, represents 20% or more of the total schedule. When this is the case, up to a 15% debit will be applied.

A well balanced schedule with no item exceeding 15% of the total schedule should be considered for a credit up to a maximum of 10%.

Highest value item as percent of total sum:

- | | |
|-------------------------------------|--------|
| i) $\leq 20\%$ | -10.0% |
| ii) $> 20\%$ but $\leq 30\%$ | +2.5% |
| iii) $> 30\%$ but $\leq 40\%$ | +5.0% |
| iv) $> 40\%$ but $\leq 50\%$ | +7.5% |
| v) $> 50\%$ but $\leq 75\%$ | +10.0% |
| vi) $> 75\%$ but $\leq 100\%$ | +15.0% |

- b) Composition - relates to type of stones (e.g., diamonds, emeralds, rubies) as well as the type of jewelry (e.g., rings, bracelets, brooches, earrings). It could also apply to the age and/or condition of the items. For example, emeralds and opals are among the most delicate of natural gems. Where items made up primarily of emeralds or opals represent more than 20% of the total schedule, a 5% debit should be applied. As another example, earrings and brooches tend to present more chance of accidental loss than other items of jewelry. When schedules consist of a third or more of these items, a debit of up to 7.5% should be considered.

Fragile/breakable/older/poor condition nature of item(s) as percent of total sum:

- | | |
|-------------------------------------|--------|
| i) $\leq 20\%$ | 0.0% |
| ii) $> 20\%$ but $\leq 30\%$ | +5.0% |
| iii) $> 30\%$ but $\leq 40\%$ | +7.5% |
| iv) $> 40\%$ but $\leq 50\%$ | +10.0% |
| v) $> 50\%$ but $\leq 75\%$ | +15.0% |
| vi) $> 75\%$ but $\leq 100\%$ | +20.0% |

- c) Distribution - has to do primarily with the spread of risk. It can be further defined as a concentration of values at one location (when the jewelry is not in use) or a schedule made up of jewelry 50% or more of which could be worn at one time (ring or rings, bracelet or bracelets, brooch, earrings). When either of these conditions exist, a debit of 5% will be applied. Proper distribution will be considered for a credit of up to 5%.

Percent of total sum that can be worn at one time or kept in one location:

- | | |
|-------------------------------------|-------|
| i) $\leq 20\%$ | -5.0% |
| ii) $> 20\%$ but $\leq 30\%$ | -2.5% |
| iii) $> 30\%$ but $\leq 40\%$ | 0.0% |
| iv) $> 40\%$ but $\leq 50\%$ | +2.5% |
| v) $> 50\%$ | +5.0% |

3. Premises

a) Type/Occupancy

- i) Residential Hotel..... 0.0% to +15.0%
- ii) High Rise Apartment House 0.0% to +10.0%
- iii) Standard Apartment House 0.0% to +5.0%
- iv) Single Occupancy Dwelling 0.0% - 0.0%
- v) Hour Per Day Occupancy -5.0% - 0.0%

- b) Location - is close to "away from premises exposure" in terms of its importance in the pricing of risks in this class. Urban risks must be categorized as the most hazardous. FBI crime data indicates that large cities (population of 250,000 and over) account for approximately 40% of the burglaries committed in the nation.

All urban risks should be considered for a debit of up to 15% depending on the city and the location within the city.

4. Protection

- a) On Premises - The presence of one or more of the following conditions may result in a credit of up to 15%.

- i) Central station burglary alarm with all accessible entry points covered (up to 10%)
- ii) Local burglary alarm (up to 2%)
- iii) Direct (to police station) alarm (up to 5%)
- iv) On premises safe or vault (up to 5%)
- v) Dead bolt locks on apartments (up to 2%)
- vi) 24-hour doorman or security guard (up to 5%)
- vii) TV surveillance system monitored 24 hours a day (up to 5%)
- viii) Full-time caretaker (up to 3%)

No protective devices may result in a debit of up to 25% applying if the jewelry is generally kept on premises and none of the above protective conditions exist.

- b) Off Premises -

- i) When jewelry is kept in a bank vault more than 75% of the time, but the in-vault rate is not used, apply up to a 10% credit.
- ii) When the in-vault rate is applied, no additional credit will be given.

Rates

5. Loss Limitation

This category permits a credit of up to 25% if the limit of liability is less than the amount of insurance - Consent to Rate required.

A maximum dollar limit of liability at one location, regardless of the policy limit of liability. For example - \$1,000,000 schedule with a maximum limit of \$250,000 for any single loss. (Consent to rate required.)

NOTE: This technique should not be used on risks of less than \$500,000.

A percent deductible on any single loss. For example - with a 25% deductible, we would pay 75% of any single loss. (Consent to rate required.)

A large flat (non-disappearing) dollar amount deductible. (Consent to rate required.)

Exclusion of coverage in transit or at particular locations such as outside the U.S., Florida, hotels, etc. (Consent to rate required.)

Fine Art Characteristics Debits & Credits (applicable to schedules in excess of \$1,000,000)

1. Residence

- a) Central station fire protection -10.0%
- b) Fully-occupied (full-time caretaker) or twenty-four (24) hour doorman -5.0%
- c) Extended unoccupancy (>=3 weeks) +5.0%
- d) Frequent entertainment +5.0%
- e) Frequent travel/public exposure +5.0%

2. Nature of Items

- a) Highest value item as percent of total sum:
 - i) <= 20% -5.0%
 - ii) > 20% but <=50% 0.0%
 - iii) > 50% but <=75% +5.0%
 - iv) >75% +10.0%
- b) Nature of item(s) (fragile/breakable) as percent to total sum:
 - i) <=10% -5.0%
 - ii) > 10% but <=35% 0.0%
 - iii) > 35% but <=50% +5.0%
 - iv) > 50% but <=75% +10.0%
 - v) > 75% +15.0%

Form Number**Form Name**

ATL - 1	(01/01)	Mutual Policy Conditions
ATL - 12	(04/01)	Notice of Insurance Information Practices
VALUABLES	(07/01)	Valuables Contract
VALUABLES 1	(12/98)	Stamp and Coin Collections
VALUABLES 18	(09/03)	Ohio Valuables Endorsement

[illegible]



OHIO

EFFECTIVE: **06/15/04 New Lines**
 08/01/04 Renewals

MODULE AND PAGE

REASON

ALL MODULES

All pages

Delete references to Atlantic Specialty Insurance Company

HOME

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Update

Include reference to Centennial Loss Differential

Introduce Centennial Loss Differential rule

Withdraw separate Centennial rates

Please place this bulletin in your OHIO PLS manual.