

COMBINATION DWELLING OWNERS

TABLE OF CONTENTS

ITEM	NSCDO PAGE
STANDARD	
Billing	7
Breakdown of Premium	26
Calculation of Premium.....	8
CDO Policy Forms.....	7
Combination Dwelling Owners Policy Program.....	1
Coverages	
Property Coverage Section.....	1-2
Liability Coverage Section	2
Deductibles	5
Eligibility	3
General Agent	7
Handling and Accounting.....	7
Limits of Insurance	2
Location of Risk Modifiers.....	6
Mandatory Coverages	3
Masonry Construction Discount	9
Minimum Policy Premium	5
Optional and Additional Coverages Available.....	11-26
Policy Term	5
Premium Charts, Explanation of.....	5
Producing Agent.....	7
Rate Pages - Base Premium Chart	
Standard CDO.....	9
Tenant's Contents	10
Underwriting Requirements	4
PROVIDED BY NORTH STAR MUTUAL ONLY.....	18-26
Actual Cash Value Loss Settlement - Windstorm or Hail Losses to All Exterior Surfaces.....	18
Actual Cash Value Loss Settlement - Windstorm or Hail Losses to Roofs	11 & 18
Asphalt Shingle Replacement Cost Charge	19
Babysitting	22
Business Activities.....	24
Farm Liability Coverage	
Base and Additional Charges	24
Damage To Property Of Others.....	25
Employer's Liability	25
Horses	23 & 24
Personal Injury.....	25
Horses	23 & 24
Identity Theft Protection.....	20
Inboard, In/Outboard Motor Boats, Sailboats and Personal Watercraft Liability	23
Incidental Office	22
Inland Marine Coverages.....	26
Installed Equipment Breakdown Coverage	21
Liability - Optional Limits or Additional Residence Premises.....	21
Metal Roof Discount	19
Outboard Motors Liability.....	23
Personal Injury	22
Personal Watercraft Liability	23
Recreational Motor Vehicle Liability.....	25
Special Form - Coverage C - Household Personal Property.....	18
Underwriting Rules for Recreational Vehicles and Watercraft.....	26
Valued Customer Discount.....	19
Waterbed Liability	22
Watercraft Liability.....	23

COMBINATION DWELLING OWNERS (Continued)

TABLE OF CONTENTS (Continued)

ITEM	NSCDO PAGE
STANDARD (Continued)	
PROVIDED BY THE TOWNSHIP MUTUAL ONLY	17-18
Earthquake	17
Higher Limits On Certain Property	
Credit Cards, Debit Cards, Electronic Fund Transfer Cards and Depositors Forgery	17
Fire Department Service Charge.....	17
Premium Discounts for Protective Devices.....	18
Theft of Building Materials - Residence Under Construction	17
Water or Sewer Back Up.....	17
Woodburning/Solid Fuel.....	18
PROVIDED BY THE TOWNSHIP MUTUAL AND NORTH STAR MUTUAL	11-16
Actual Cash Value Loss Settlement To Roofs	11
Association Deductible - Increased Limit - Described Location	14
Companion Policy Discount	16
Expanded Replacement Cost Coverage - Coverage A (Special - Dwelling Only)	11
Higher Limits On Certain Property	
Antiques and Collectibles.....	14
Computer Equipment.....	14
Condominium Unit-Owner Additions	14
Guns and Gun Accessories	14
Horse Equipment.....	14
Ice Fishing Houses	14
Money	15
Motorized Vehicles	15
Silverware, Goldware & Pewterware	15
Unscheduled Jewelry, Watches and Furs	15
Loss Assessment - Described Location.....	13
Modified Replacement Cost - Residence and Related Private Structures	11
New/Upgraded Home Discount.....	16
Personal Property - Increase or Decrease.....	12
Personal Property - Increased Percentage–Household Personal Property Off Insured Premises .	13
Refrigerated Food Products	15
Related Private Structures	12
Replacement Cost Endorsement.....	13
Secondary Location	16
Townhouses	16
Wood Shingle Surcharge	16
CDO “Classic”	
CDO “Classic”	27
Coverages	27
Deductibles.....	29
Eligibility and Underwriting Requirements.....	28-29
Limits of Insurance	27
Location of Risk Modifiers	29 & 6
Masonry Construction Discount.....	30
Optional and Additional Coverages	29
Rate Pages - Base Premium Chart	
CDO “Classic”.....	30

COMBINATION DWELLING OWNERS POLICY PROGRAM

A Combination Dwelling Owners (CDO) policy is written jointly by North Star Mutual Insurance Company and the Township Mutual Fire Companies throughout the state of Minnesota. The policy is similar to a Homeowners policy, combining Fire and Lightning, Windstorm and Hail, Additional Perils and Liability coverage all under 1 policy jacket. Replacement Cost coverage is included for the residence and related private structures (covered under Coverages "A" & "B") with similar stipulations and conditions as under a Homeowners policy.

The CDO Program offers 2 options: Standard (Form PH1) or "CLASSIC" (Forms PH1 and PH5). The CDO "Classic" is designed for risks of a better class in all respects and basically for dwellings built after 1965. For more information on the CDO "Classic" refer to the CDO "Classic" pages NSCDO-27 through NSCDO-30 of this section. Pages NSCDO-1 through NSCDO-26 explain the Standard CDO.

The Inflation Guard Provision is required on all CDO policies. PROPERTY COVERAGES will automatically be periodically updated based on changing dwelling construction cost factors. The residence must be insured to at least 90% of Replacement Cost (100% for CDO "Classic"), the application must be completed and a photograph of the residence attached. To be assured that the insured meets policy conditions, it is recommended that all residences be insured to 100% of Replacement Cost.

COVERAGES

The Combination Dwelling Owners policy provides property and liability coverages. The perils that apply will be indicated for each coverage on the Declarations.

PROPERTY COVERAGES SECTION

Basic Perils. Includes the following perils:

Fire or Lightning	Sudden & Accidental Damage from Smoke
Windstorm and Hail	Vandalism and Malicious Mischief
Explosion	Glass Breakage
Riot or Civil Commotion	Sinkhole Collapse
Theft	Volcanic Action
Vehicles or Aircraft	

Broad Perils. Includes all the perils of the Basic Perils and adds the following perils:

Falling Objects	Accidental Discharge or Overflow of Liquids or Steam
Weight of Ice, Snow or Sleet	Freezing of a Plumbing, Heating or Air Conditioning System or Domestic Appliance
Collapse of a building	Sudden and Accidental Damage from Artificially Generated Electrical Currents
Sudden and Accidental Tearing Apart, Burning or Bulging of a Heating or Air Conditioning System or Water Heater	

Special Form. Includes all the perils of the Basic Perils and Broad Perils. Additionally, covers risks of direct physical loss unless the loss is excluded.

Tenant's Policy. For renters and condominium unit-owners. Covers household personal property, including the insured's interest in building alterations and additions, and increased living costs, against loss by Broad Perils.

COVERAGES (Continued)

PROPERTY COVERAGES SECTION (Continued)

ALL FORMS

1. The perils that apply to the Dwelling also apply to Household Personal Property, except when Special Form applies to the Dwelling only Broad Perils apply to the Household Personal Property unless otherwise requested. If a dwelling is written as a CDO "Classic" then the Household Personal Property of that dwelling is written with Special Form.
2. Coverage for Basic or Broad Perils, (except windstorm or hail, sinkhole collapse and volcanic action) is provided by the Township Mutual. Coverage for windstorm or hail, sinkhole collapse and volcanic action perils, liability, and inland marine (when requested) is provided by North Star Mutual.
3. When Special Form or CDO "Classic" are written, the Township Mutual provides the Broad Perils, (except windstorm or hail, sinkhole collapse and volcanic action) and North Star Mutual provides the other risks of direct physical loss unless the loss is excluded.
4. Loss Settlement
 - a. Buildings are covered according to Replacement Cost terms.
 - b. Personal Property is covered according to Actual Cash Value terms, unless Replacement Cost - Optional Coverage PH55 is purchased. However, when a dwelling is written in the CDO "Classic" program, the personal property of that dwelling is covered according to Replacement Cost terms.
 - c. Roofs are covered according to Replacement Cost terms, unless Actual Cash Value Loss Settlement - Windstorm or Hail Losses To Roofs endorsement PH900 or Actual Cash Value Loss Settlement To Roofs endorsement PH-901 is attached.
 - d. Exterior surfaces are covered according to Replacement Cost terms, unless Actual Cash Value Loss Settlement - Windstorm or Hail Losses To All Exterior Surfaces endorsement CF-1742 is attached.

LIABILITY COVERAGE SECTION

ALL FORMS:

1. Personal Liability - Pays for damages for which the insured is liable by law if the bodily injury or property damage is caused by an occurrence arising out of the insured's premises or personal activities.
2. Medical Payments to Others - Pays for medical expenses incurred by persons, who are not insureds, if the bodily injury arises out of the insured's premises or personal activities.

LIMITS OF INSURANCE

The following are the standard limits of insurance under the Standard CDO policy:

COVERAGE	Basic Perils	Broad Perils	Special Form	Tenant's Policy
A - Dwelling - Minimum Amount	\$35,000	\$50,000	\$60,000	
B - Related Private Structures	10% of limit on dwelling	10% of limit on dwelling	10% of limit on dwelling	
C - Household Personal Property	60% of limit on dwelling	60% of limit on dwelling	60% of limit on dwelling	\$8,000 Minimum
D - Increased Living Costs	Actual Loss Sustained in 12 Months for ALL FORMS			
L - Personal Liability	\$100,000 Each Occurrence for ALL FORMS*			
M - Medical Payments to Others	\$1,000 Each Person for ALL FORMS*			

* Optional limits are available. See Liability Coverage Section - Optional Limits or Additional Residence Premises.

ELIGIBILITY

1. A Combination Dwelling Owners policy may be issued:
 - a. to an owner-occupant of a dwelling which is used exclusively for private residential purposes (along with incidental office) and contains not more than 2 families and with not more than 2 boarders or roomers per family;
 - b. to an owner-occupant of one unit of a dwelling which is used exclusively for private residential purposes (along with incidental office) and is part of a twin-house, tri-house or quad-house;
 - c. to cover a dwelling in the course of construction provided the policy is issued only in the name of the intended owner-occupant of the dwelling.
2. A Combination Dwelling Owners Policy for renters and condominium unit-owners may be issued to:
 - a. the tenant (non-owner) of a dwelling or an apartment situated in any building;
 - b. the owner-occupant of a dwelling or of a building containing an apartment who is not otherwise eligible for a CDO policy; or
 - c. condominium unit-owners.
3. Non-Farm Rural Properties

Non-farm rural properties are eligible for a Combination Dwelling Owners policy if they meet the following criteria:

- a. No farming operations conducted by an insured on the premises;
- b. Five (5) or less head of horses or other livestock; and
- c. **Not more than 2 related private structures on the premises:**
 - 1) Maximum size 1,600 square feet. If larger, refer to Home Office for eligibility and/or rating.
 - 2) Full disclosure of all related private structures (whether intended to be insured or NOT) including descriptions, dimensions, and photos is required.
 - 3) Second related private structure will be insured specifically under a PH48 and must be written at 100% of replacement cost.
 - 4) Insured related private structures must warrant replacement cost coverage.
 - 5) Former farmsites with any existing outbuildings are not eligible.

Risks that do not meet the above criteria may be competitively written on our Farm CPP Program.

MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both the Property Coverage and the Liability Coverage Sections of the CDO Policy.

The Liability Coverage Section of the policy requires coverage for the following exposures and the additional premium developed from the Premium Charts must be charged when such exposures exist:

1. ALL additional residence premises where the Named Insured or spouse maintain a residence other than business or farm property;
2. ALL residence employees of the Named Insured or spouse not covered or not required to be covered by Worker's Compensation Insurance (charge required for residence employees in excess of 2); and
3. Incidental office, professional, private school or studio uses by the insured on residential premises of the insured.

UNDERWRITING REQUIREMENTS

1. A completed CDO application must be submitted along with at least two (2) recent photos of the property (front and rear) and social security number. Credit Bureau Reports often help in determining acceptability of a risk. Full disclosure of all outbuildings (whether intended to be insured or not) including descriptions, dimensions, and photos is required.
2. For 1 and 2 Family Dwellings, with the exception of seasonal risks, the minimum limits available for Basic Perils shall be \$35,000, \$50,000 for Broad Perils and \$60,000 for Special Form. Minimum limit for a 1 or 2 family seasonal is \$25,000.
3. Coverage must be written from 90% to 100% of the REPLACEMENT COST of the dwelling. The only exception to this would be using Optional Coverage PH256 when writing the dwelling at 80%, 70%, 60% or 50% of the replacement cost. For more information on this refer to the heading Modified Replacement Cost-Residence and Related Private Structures.
4. Please check with your Township Mutual for the maximum limit available for a dwelling.
5. Farm Liability is required when:
 - a. there are more than 40 acres;
 - b. the insured has farming operations; or
 - c. there are horses or other livestock.
6. Following is a list of CDO risks not to be bound and generally will not be written:
 - a. Property which is in generally below average physical condition.
 - b. Risks cancelled or nonrenewed by other carriers.
 - c. Risks which have sustained 2 OR MORE losses during the past 3 year period.
 - d. Homes which do not meet the following update requirements:
 - 1) Electrical - 100 amp with circuit breakers.
 - 2) Plumbing - updated in last 40 years.
 - 3) Heating - replaced in the last 30 years.
 - 4) Roof - reshingled in the last 20 years. (Roof surfaces that are 15 years old or older may not be insured for replacement cost coverage.)
 - e. Risks with older wood roofs or risks with asbestos slate roofs or siding.
 - f. Dwelling risks which were not originally designed for dwelling purposes. (e.g., a mercantile building converted to a dwelling.)
 - g. TRAILER HOMES, MOBILE HOMES, DOUBLE WIDE MOBILE HOMES, CONVERTED MOBILE HOMES OR HOUSE TRAILERS whether permanently located with attached leans or not. (These are generally excluded, please check with your Township Mutual for exceptions.)
 - h. Risks where insureds have a history of financial instability within the last 5 years.
 - i. Hobby farms or any risk currently and/or formerly occupied as FARM PROPERTY on which any current and/or former farm buildings still exist.
 - j. Risks with wild animals or pets that show aggressive or vicious tendencies.
 - k. Risks with Dobermans, Rottweilers, Siberian Huskies, Alaskan Malamutes, Presa Canarios (also known as Canary Island Cattle dog), Pit Bulls (including, but not limited to, American Pit Bull Terriers, American Staffordshire Terriers, or Staffordshire Bull Terriers), Chows or dogs with aggressive tendencies should not be submitted.
 - l. Wall Furnaces that are unvented. (They create problems due to fumes they generate.)
 - m. Dwellings without a central heating system (other than all-electric homes).
 - n. Unusual risks including basement homes, log homes, earth homes, dome homes, and homes with flat roofs.
 - o. Do not submit risks with trampolines or swimming pools, unless prior approval has been received from a North Star Mutual underwriter.
7. Seasonal dwellings will be considered, however, we should be writing the primary dwelling if possible or the dwelling needs to be a year round home and occupied at least 6 months of the year. A separate application should be submitted for the seasonal dwelling.

POLICY TERM

Policies are written on a 1-year basis. The policy will be automatically renewed each year with an updated declarations page. It will be up to the agent to review annually to get the proper increases subject to the applicable inflation rate. Policyholders will initially receive copies of all policy forms. Upon renewal they will receive only an updated declarations and forms that are new or revised. Policyholders may receive all policy forms upon request – a statement notifying the insured of this will be on each annual declarations. The policy will be subject to the premiums, rules and forms in effect at the time of renewal.

PREMIUM CHARTS

All CDO policies will be rated in accordance with the premium charts provided by both companies. The Base Premium Charts in this manual show North Star Mutual's rates. The Township Mutuals may decide their own rates and subsequently the total premium charged. All charts are set up on an annual premium basis.

MINIMUM POLICY PREMIUM

The North Star Mutual minimum premium per policy is \$40 annually.

DEDUCTIBLES – STANDARD CDO

Basic, Broad, Special - Dwelling Insured

Base Deductible: A flat \$1,000 deductible applies to all Property losses (except for the Inland Marine forms - see Inland Marine Section).

Optional Deductible: The policy deductible may be changed by applying the following Modification Factor to:

1. Premium from Base Premium Charts; and
2. Premium for amended limits for Coverages B & C.

Deductible	\$100	\$250	\$500	\$1,000	\$2,500	\$5,000	\$10,000
Modification Factor	1.50	1.30	1.10	1.00 (Base)	.89	.78	.67

Tenant's - Contents Broad Form

Base Deductible: A flat \$500 deductible applies to all Property losses (except for the Inland Marine forms - see Inland Marine Section).

Optional Deductible: The policy deductible may be changed by applying the following Modification Factor to the premium from the Base Premium Chart.

Deductible	\$100	\$250	\$500	\$1,000	\$2,500	\$5,000	\$10,000
Modification Factor	1.40	1.15	1.00 (Base)	.90	.80	.70	.60

LOCATION OF RISK MODIFIERS

To determine the final premium, a location of risk modifier must be applied to the North Star Mutual base premium and all optional property coverage. The location of risk modifier does not apply to Liability (except for what is included in the base premium) or Inland Marine premiums. The location of risk modifier to apply to a policy is determined by the county of the primary location.

Aitkin.....	0.89	Isanti	1.04	Pipestone.....	1.00
Anoka	1.25	Itasca	0.89	Polk	1.00
Becker	1.00	Jackson.....	1.00	Pope.....	1.00
Beltrami	0.89	Kanabec.....	1.04	Ramsey	1.25
Benton	1.00	Kandiyohi	1.00	Red Lake	1.00
Big Stone.....	1.00	Kittson.....	0.94	Redwood	1.00
Blue Earth.....	1.00	Koochiching.....	0.89	Renville.....	1.00
Brown	1.00	Lac Qui Parle.....	1.00	Rice	1.00
Carlton.....	0.89	Lake	0.89	Rock	1.00
Carver.....	1.25	Lake of the Woods.....	0.89	Roseau	0.94
Cass	0.89	Le Sueur	1.00	Scott	1.25
Chippewa.....	1.00	Lincoln.....	1.00	Sherburne.....	1.25
Chisago	1.04	Lyon	1.00	Sibley.....	1.00
Clay	1.00	Mahnomen	1.00	St. Louis.....	0.89
Clearwater	0.89	Marshall	0.94	Stearns	1.00
Cook.....	0.89	Martin.....	1.00	Steele	1.00
Cottonwood.....	1.00	McLeod	1.00	Stevens	1.00
Crow Wing.....	0.89	Meeker	1.00	Swift.....	1.00
Dakota	1.25	Mille Lacs	1.04	Todd	1.00
Dodge	1.00	Morrison	1.00	Traverse	1.00
Douglas	1.00	Mower	1.00	Wabasha	1.00
Faribault.....	1.00	Murray.....	1.00	Wadena	0.89
Fillmore.....	0.97	Nicollet	1.00	Waseca.....	1.00
Freeborn	1.00	Nobles.....	1.00	Washington.....	1.25
Goodhue.....	1.00	Norman	1.00	Watonwan.....	1.00
Grant	1.00	Olmsted.....	0.97	Wilkin.....	1.00
Hennepin	1.25	Otter Tail	1.00	Winona	0.97
Houston	0.97	Pennington	0.94	Wright.....	1.25
Hubbard.....	0.89	Pine.....	0.89	Yellow Medicine.....	1.00

CDO POLICY FORMS

The General Policy Provisions, a perils section and liability coverage section are issued with every policy. When assembled, the policy must be made up of the following parts:

- Policy Jacket
- Declarations
- General Policy Provisions, A Perils Section and Liability Coverage SectionPH1 or PH1 and PH5
- Other optional coverages, forms and/or endorsements may be attached depending on optional coverages purchased.

The policy forms and jackets have been prepared so that there is no need to use a township mutual fire policy. The declarations page will indicate the name of the Township Mutual providing coverage and also the name of North Star Mutual.

BILLING

All rates and premiums shown for this program are annual rates and premiums. Premiums can be paid annually, semi-annually or quarterly. However, on the CDO, the semi-annual and quarterly billing options must be approved by the Township Mutual and the Township Mutual must also provide these billing options if they are to be used. For semi-annual and quarterly billings North Star Mutual has a billing option fee of \$2.00.

GENERAL AGENT

The General Agency is empowered with the duties of coordinating the packaging, premium billing and premium collection on CDO policy business. The duty of coordinating CDO policies includes reviewing and underwriting applications. The General Agent should work in the Township Mutual office on a daily basis in order to properly supervise the General Agent's duties. The packaging Township Mutual and North Star Mutual agree on who will be the General Agent for the Township Mutual, and the appointed General Agent signs a General Agents agreement with North Star Mutual.

PRODUCING AGENT

Producing Agents complete the applications and submit them to the General Agent with instructions for policy distribution.

HANDLING AND ACCOUNTING

1. Premiums and Expirations
 - a. The General Agent is responsible for collecting all premiums.
 - b. North Star Mutual will render to the General Agent a monthly account of premiums due less commissions.
 - c. North Star Mutual will furnish the General Agent a list of installment premiums due about 35 days before the month to which it pertains.
 - d. The General Agent will cancel policies on which the premium is not paid and furnish North Star Mutual with either the cancelled policy or a copy of the notice to policyholder and mortgagee, if any.
 - e. 60 days before the month to which it pertains, an expiration list is sent to the Producing Agent with a copy to the General Agent. It informs the agent and the General Agent of which policies are expiring and if we need a new application.
2. Additions and Cancellations
 - a. Additions may be made pro rata.
 - b. Cancellations may be at any time at the request of the insured upon return of the original policy or a signed "Lost Policy Release", to the Home Office of the Company.
 - c. Cancellations will be made pro rata.

CALCULATION OF PREMIUM

- Step 1 Determine the Base Premium based on the amount of Coverage A or Coverage C, as applicable.
- Step 2 Apply Asphalt Shingle Replacement Cost Charge, if applicable, to the premium determined in Step 1.
- Step 3 For Basic-Dwelling, Broad-Dwelling, or Special-Dwelling, apply Masonry Construction Discount, if applicable, to premium determined in Step 2.
- Step 4 Modify premium determined in Step 3 to reflect reduced or increased Coverage C Limits.
- Step 5 Modify premium determined in Step 4 to reflect reduced or increased Coverage B Limits.
- Step 6 Modify premium determined in Step 5 if Special Form on Coverage C is purchased.
- Step 7 Modify premium determined in Step 6 to reflect lower limits of liability and medical payments, if applicable.
- Step 8 If writing Expanded Replacement Cost Coverage - Coverage A (Special-Dwelling only), apply the appropriate factor to the premium determined in Step 7.
- Step 9 If writing Actual Cash Value Loss Settlement - Windstorm or Hail Losses To Roofs or Actual Cash Value Loss Settlement - Windstorm or Hail Losses To All Exterior Surfaces, or Actual Cash Value Loss Settlement To Roofs, apply the appropriate factor to the premium determined in Step 8.
- Step 10 When Metal Roof Discount is desired, apply the appropriate factor to the premium determined in Step 9.
- Step 11 If rating a seasonal or secondary residence issued in conjunction with the primary residence, give duplicate liability discount and add the liability charge for an Additional Residence Premises Occupied by Insured to the premium determined in Step 10.
- Step 12 Modify the amount determined in Step 11 to reflect the selection of a deductible option. (The Base Deductible is \$1,000 except that it is \$500 for a Tenant's - Contents Broad Form policy.)
- Step 13 To add the PH-336, Residence Rented To Others, apply a factor of 1.05 to the premium determined in Step 12.
- Step 14 For Modified Replacement Cost, apply the appropriate percentage charge to the premium determined in Step 13.
- Step 15 Modify the amount determined in Step 14 for all percentage discounts or charges. Discounts or charges should be multiplied in the following order: New/Upgraded Home Discount, Premium Discounts for Protective Devices, Companion Policy Discount, Wood Roof Surcharge, Townhouses, and Condominiums not rented to others (Tenant's - Contents Broad Form only). Discounts or charges should **not** be added together.
- Step 16 For Tenant's - Contents Broad Form only, apply a factor of 1.35 to the premium determined in Step 15 if the apartment is over a commercial building.
- Step 17 When Replacement Value on personal property is purchased, the premium is determined by applying the appropriate percentage charge to the premium determined in Step 16.
- Step 18 Add to the amount determined in Step 17 the additional premium for all other mandatory or optional Property Coverages.
- Step 19 Multiply the amount determined in Step 18 by the appropriate Location of Risk Modifier.
- Step 20 Add to the amount determined in Step 19 the additional premium for all other mandatory or optional Liability Coverages.
- Step 21 Apply the applicable Valued Customer Discount factor to the total policy premium.
- Step 22 Calculate Installed Equipment Breakdown Coverage premium.
- Step 23 Calculate Inland Marine premium.

RATE PAGES - BASE PREMIUM CHART

COMBINATION DWELLING OWNERS (CDO)

(Refer to page NSCDO-6 for Location of Risk Modifiers for each county.)

\$1,000 FLAT DEDUCTIBLE APPLICABLE (ALL PERILS)

PREMIUM INCLUDES \$100,000 LIABILITY AND \$1,000 MEDICAL PAYMENTS

Coverage A Dwelling	BASIC DWELLING BASIC - PERSONAL PROP.			BROAD - DWELLING BROAD - PERSONAL PROP.			SPECIAL - DWELLING BROAD - PERSONAL PROP.		
	Twp Mutual	North Star	Comb. Prem.	Twp Mutual	North Star	Comb. Prem.	Twp Mutual	North Star	Comb. Prem.
40,000		294			294 *			327 *	
50,000		299			299			332 *	
60,000		304			304			338	
70,000		309			309			343	
80,000		314			314			349	
90,000		323			323			359	
100,000		332			332			369	
110,000		349			349			387	
120,000		366			366			406	
130,000		383			383			426	
140,000		403			403			447	
150,000		421			421			468	
160,000		441			441			490	
170,000		459			459			510	
180,000		478			478			531	
190,000		498			498			553	
200,000		519			519			577	
210,000		541			541			601	
220,000		563			563			625	
230,000		585			585			650	
240,000		607			607			674	
250,000		629			629			699	
260,000		655			655			727	
270,000		679			679			754	
280,000		703			703			782	
290,000		727			727			807	
300,000		751			751			834	
310,000		780			780			867	
320,000		810			810			900	
330,000		840			840			934	
340,000		870			870			966	
350,000		899			899			999	
360,000		929			929			1,032	
370,000		959			959			1,065	
380,000		989			989			1,099	
390,000		1,019			1,019			1,132	
400,000		1,048			1,048			1,165	
410,000		1,078			1,078			1,198	
420,000		1,108			1,108			1,231	
430,000		1,138			1,138			1,264	
440,000		1,168			1,168			1,297	
450,000		1,198			1,198			1,331	
460,000		1,228			1,228			1,364	
470,000		1,257			1,257			1,397	
480,000		1,288			1,288			1,431	
490,000		1,317			1,317			1,464	
500,000		1,347			1,347			1,497	
EACH ADD'L 5,000 ADD:		15			15			17	

* For Secondary Residence Only
For Masonry Construction, decrease base premium by 10%

RATE PAGES - BASE PREMIUM CHART

TENANT'S - CONTENTS BROAD FORM

(For Renters and Condominium Unit-Owners)

(Refer to page NSCDO-6 for Location of Risk Modifiers for each county.)

\$500 FLAT DEDUCTIBLE APPLICABLE (ALL PERILS)

PREMIUM INCLUDES \$100,000 LIABILITY AND \$1,000 MEDICAL PAYMENTS

The rates shown below apply to contents in a rental unit that are located in a dwelling/condo or any size apartment building. If there is a commercial exposure in the same building as the rental unit, apply the modification factor of 1.35 times the premium shown below.

For Condominiums Not Rented to Others, Decrease Base Premium by 10%.

BROAD - PERSONAL PROPERTY

<u>Coverage "C"</u> <u>Amount</u>	<u>Twp</u> <u>Mutual</u>	<u>North</u> <u>Star</u>	<u>Combined</u> <u>Premium</u>
8,000		47	
9,000		48	
10,000		48	
11,000		49	
12,000		50	
13,000		51	
14,000		53	
15,000		54	
16,000		55	
17,000		56	
18,000		57	
19,000		58	
20,000		59	
21,000		60	
22,000		61	
23,000		62	
24,000		64	
25,000		65	
26,000		66	
27,000		68	
28,000		69	
29,000		70	
30,000		71	
31,000		73	
32,000		75	
33,000		76	
34,000		77	
35,000		79	
36,000		80	
37,000		81	
38,000		83	
39,000		84	
40,000		86	
41,000		87	
42,000		89	
43,000		90	
44,000		91	
45,000		93	
46,000		95	
47,000		96	
48,000		97	
49,000		98	
50,000		100	
55,000		107	
60,000		114	
65,000		122	
70,000		130	
75,000		139	
Each Add'l			
1,000 Add:		2	

OPTIONAL AND ADDITIONAL COVERAGES AVAILABLE

A. PROVIDED BY THE TOWNSHIP MUTUAL AND NORTH STAR MUTUAL

1. ACTUAL CASH VALUE LOSS SETTLEMENT TO ROOFS – [PH901](#)

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions. The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roofs.

To develop the premium for this option:

- a. multiply the Township Mutual base premium by a factor of _____; and
- b. multiply the North Star Mutual base premium by a factor of 0.90.

2. EXPANDED REPLACEMENT COST COV. - COV. A (SPECIAL - DWELLING ONLY) - [PH1792](#)

The policy replacement cost terms that apply to Coverage A may be endorsed to increase the amount of insurance that would apply to the dwelling. When this endorsement is added, the policy is amended to provide full replacement cost insurance for the Coverage A - Dwelling up to 110% of the amount of insurance shown on the Declarations, if the insured elects to repair or replace the dwelling. To qualify for Expanded Replacement Cost Coverage, the following Eligibility Rules/Underwriting Requirements must be met:

- a. The dwelling must be insured for 100% of Replacement Cost as determined by the Marshall & Swift/Boeckh (RCT) Program. A current updated MS/B computation printout must accompany the request for Expanded Replacement Cost Coverage.
- b. The dwelling must be in excellent condition both inside and out.
- c. At least two (2) photographs of the dwelling (front and rear) and photos of all other structures taken from a distance and an angle that shows the structures overall condition accurately must accompany the request for this coverage.
- d. There cannot be a substantial difference between the market value and replacement cost.
- e. Ornate or Victorian homes are not eligible. Also, homes of unique construction or built from materials that cannot be duplicated because of their unique, antique or artistic characteristics are not eligible. Examples include but are not limited to irreplaceable stained glass windows, murals painted by well known artists, antique or one of a kind lighting or other fixtures, elaborate moldings or carvings on mantels, balustrades, log homes, etc.
- f. The insured must notify the Company of a new building valued at \$5,000 or more, or any additions, remodeling or other physical changes which increase the replacement cost of the dwelling by \$5,000 or more and pay the additional premium due within 90 days of the start of the project. If the insured fails to notify us, and the cost to replace all or a part of the damaged dwelling exceeds the Coverage "A" limit of insurance, the value or cost of the unreported addition or alteration will not be covered.

To develop the additional premium for this option:

- a. multiply the Township Mutual base premium by a factor of _____; and
- b. multiply the North Star Mutual base premium by a factor of 1.02.

3. MODIFIED REPLACEMENT COST - RESIDENCE & RELATED PRIVATE STRUCTURES - [PH256](#)

The policy may be endorsed to provide Replacement Cost coverage when the amount of insurance written is 80%, 70%, 60% or 50% of the dwellings full replacement cost. The dwelling MUST be in good condition and meet all underwriting requirements. The premium shall be developed as follows:

- a. If the amount of insurance written is 80% of full replacement cost, obtain the premium for that amount using the Base Premium Chart and multiply the premium by 1.05.
- b. If the amount of insurance written is 70% of full replacement cost, obtain the premium for that amount using the Base Premium Chart and multiply the premium by 1.10.
- c. If the amount of insurance written is 60% of full replacement cost, obtain the premium for that amount using the Base Premium Chart and multiply the premium by 1.15.
- d. If the amount of insurance written is 50% of full replacement cost, obtain the premium for that amount using the Base Premium Chart and multiply the premium by 1.20.

4. RELATED PRIVATE STRUCTURES

Decrease - Coverage B

An applicant may specify the dollar amount of coverage applying to Coverage B. There is no real advantage to reducing or deleting Coverage B since we allow part or all of Coverage B to be added to the dwelling coverage. However, if Coverage B is reduced, apply the following discount per \$1,000 of decrease:

(All Forms) Twp Mutual _____ North Star Mutual \$0.50 Combined _____

Occupied by Insured

Coverage B is intended to provide coverage for structures that are pertinent to the household and not used or designed for business purposes. Typically these are detached garages or small backyard storage sheds for lawn mowers, snow blowers, garden equipment, etc.

When an additional amount of insurance is written on private structures, increase the Coverage B limit at the following rates per \$1,000 of insurance:

(All Forms) Twp Mutual _____ North Star Mutual \$4.00 Combined _____

North Star Mutual Only - The same Metal Roof Discount that applies to the dwelling these related private structures are located with will apply to these related private structures. When the Metal Roof Discount is given, CF-2059, Cosmetic Damage Exclusion applies.

On Premises - Specifically Scheduled Structure - PH48

When an acceptable private structure is over 1,600 square feet or there is more than 1 private structure on the premises then the private structure must be specifically scheduled for its full replacement cost using form PH48. **The limit that applies to Coverage B does not apply to specifically scheduled structures.** With underwriting approval, a building is acceptable when the following are met:

1. Building is not used or designed for business purposes.
2. Building must be in good condition and qualify for replacement cost.
3. Building must be written at 100% of replacement cost.

Use the following rates per \$1,000 of insurance (shall apply separately to each such structure):

Twp Mutual _____ North Star Mutual \$4.00 Combined _____

With Metal Roof Discount North Star Mutual \$3.00
(CF-2059, Cosmetic Damage Exclusion applies)

NOTE: The Related Private Structures **rates** are subject to the deductible modification factors. The Inflation Guard Provision also applies to all related private structures.

5. PERSONAL PROPERTY - INCREASE OR DECREASE

INCREASE - The limit for Coverage C may be increased at the following rates per \$1,000 of increase:

Twp Mutual _____ North Star Mutual \$0.20 Combined _____

DECREASE - An applicant may specify the dollar amount of coverage applying to Coverage C on the Standard CDO. We do not recommend that Coverage C be reduced because of the need for adequate coverage. (Most total and many partial losses reveal that an insured is underinsured for personal property). However, if Coverage C is reduced, apply the following discount per \$1,000 of decrease (Subject to a \$20 maximum discount):

Twp Mutual _____ North Star Mutual \$0.20 Combined _____

NOTE: Standard - This coverage cannot be reduced if Optional Coverage PH42 (Incidental Office) or Optional Coverage PH55 (Replacement Cost Endorsement) are written.

CDO "Classic" - This coverage cannot be reduced to less than 70% of the limit of Coverage A.

6. PERSONAL PROPERTY - INCREASE OR DECREASE (Continued)

INCREASED PERCENTAGE – HOUSEHOLD PERSONAL PROPERTY OFF INSURED PREMISES –
 The PH1 form limits Household Personal Property owned or used by an insured person while temporarily off the insured premises for up to 20 percent of the Household Personal Property (Coverage C) limit as shown on the declarations. The percentage may be increased in 10 percent intervals up to 100%. The rates that apply for the increased percentages are shown in the State Rate Pages. **Check with your Township Mutual for their rates and rules.**

Increase Percentage To	TWP MUTUAL Coverage C Limit Rate Per \$100	North Star Mutual Coverage C Limit Rate Per \$100	Combined Coverage C Limit Rate Per \$100
30%	_____	0.004	_____
40%	_____	0.008	_____
50%	_____	0.012	_____
60%	_____	0.016	_____
70%	_____	0.020	_____
80%	_____	0.024	_____
90%	_____	0.028	_____
100%	_____	0.032	_____

Multiply the Coverage C limit times the appropriate rate above per \$100 of coverage.

7. REPLACEMENT COST ENDORSEMENT - [PH55](#)

Personal Property can be changed from Actual Cash Value to Replacement Cost insurance at the following additional premiums per \$1,000 of coverage:

MINIMUM PREMIUM:	Twp Mutual _____	North Star Mutual \$0.15	Combined _____
	Twp Mutual _____	North Star Mutual \$5.00	Combined _____

When Replacement Cost is added Coverage C cannot be reduced to less than 60% of Coverage A on the Standard CDO and 70% of Coverage A on the CDO "Classic".

When a seasonal dwelling is written under the same policy as the primary dwelling and personal property is written on replacement cost, this coverage must apply to the contents of both dwellings. A separate charge for replacement cost on the contents must be made for each dwelling.

8. LOSS ASSESSMENT – DESCRIBED LOCATION – [PH217](#)

The policy provides up to \$1,000 for loss assessment charged during the policy period and levied against the insured by a corporation or association of property owners when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a peril insured against under Coverage A - Dwelling.

The policy may be extended to provide property and liability coverage for loss assessment arising out of the described location and to increase the limit. Coverage does not apply to assessments resulting from a deductible in the insurance purchased by the association. However, when this coverage is purchased, \$1,500 coverage for Association Deductible coverage is automatically included - see Association Deductible paragraph.

Additional Premium:	Twp Mutual	North Star Mutual	Combined
1st \$1,000 Incl.	Incl.	Incl.	
Total Coverage of 5,000	\$ _____	\$ 8.00	\$ _____
Total Coverage of 10,000	\$ _____	\$10.00	\$ _____
Each add'l \$5,000	\$ _____	\$ 1.00	\$ _____

9. ASSOCIATION DEDUCTIBLE – INCREASED LIMITS – DESCRIBED LOCATION – PH217

When Loss Assessment – Described Location coverage is purchased (PH217), \$1,500 coverage for association deductible is automatically included. The limit that applies to the property coverage for association deductibles arising out of the described location can be increased.

Add'l Premium per \$1,000 of coverage:
Twp Mutual _____ North Star Mutual \$2.50 Combined _____

10. CONDOMINIUM UNIT - OWNER ADDITIONS - HIGHER LIMITS - PH31 & PH32

The policy provides that up to 10% of the Coverage C limit of insurance may be applied to cover direct loss by perils insured against to (a) fixtures, alterations, decorations, additions, installations, or items of real property that are part of the insured's condominium unit, (b) structures at the location of the insured premises owned solely by the insured other than the insured premises, or (c) property that is the insured's insurance responsibility under an agreement with an association or corporation of property owners. This coverage does not include; (a) structures used for business, (b) land, including the land on which the property is located, (c) underground water, or (d) surface water. The perils written for this coverage must be the same as the perils for Coverage C. Coverage amount may be increased.

Add'l Premium per \$100 of Coverage; Coverage C written with Broad Perils:
Twp Mutual _____ North Star Mutual \$0.15 Combined _____

Add'l Premium per \$100 of Coverage; Coverage C written with Special Form:
Twp Mutual _____ North Star Mutual \$0.20 Combined _____

11. ANTIQUES AND COLLECTIBLES – HIGHER LIMITS

The policy limits coverage for antiques and collectibles to \$2,000. Coverage may be increased.

Add'l Premium per \$100 of coverage: Twp Mutual _____ North Star Mutual \$0.20 Combined _____

12. COMPUTER EQUIPMENT – HIGHER LIMITS

The policy limits coverage for computer hardware, software and related equipment to \$1,500. Coverage may be increased.

Add'l Premium per \$100 of coverage: Twp Mutual _____ North Star Mutual \$0.30 Combined _____

13. GUNS AND GUN ACCESSORIES - HIGHER LIMITS

The policy limits coverage for guns and gun accessories including antique and collectible guns to \$2,000 for loss by theft. Coverage may be increased as needed. The \$2,000 limitation also applies to misplacing or losing of guns and gun accessories on the CDO "Classic" or when Special Form on personal property is written.

Add'l Premium per \$100 of coverage: Twp Mutual _____

14. HORSE EQUIPMENT - HIGHER LIMITS

The policy limits coverage for horse tack, saddles, bridles and related items to \$2,000. Coverage may be increased.

Add'l Premium per \$100 of coverage: Twp Mutual _____ North Star Mutual \$0.40 Combined _____

15. ICE FISHING HOUSES - HIGHER LIMITS

The policy limits coverage for ice fishing houses and related fixtures to \$2,000. Coverage may be increased.

Add'l Premium per \$100 of coverage: Twp Mutual _____ North Star Mutual \$1.00 Combined _____

16. MONEY - HIGHER LIMITS

Money coverage may be increased from the base limit of \$200 to a maximum of \$700.

Add'l Premium per \$100 of coverage: Twp Mutual _____ North Star Mutual \$1.50 Combined _____

17. MOTORIZED VEHICLES - HIGHER LIMITS

The policy limits coverage for motorized vehicles used to service the insured premises and not licensed for use on public roads to \$5,000. Coverage may be increased as needed.

Add'l Premium per \$100 of coverage: Twp Mutual _____ North Star Mutual \$0.20 Combined _____

18. SILVERWARE, GOLDWARE AND PEWTERWARE - HIGHER LIMITS

The policy limits coverage for silverware, goldware and pewterware to \$2,000 for loss by theft. Coverage may be increased to an aggregate of \$11,500. The \$2,000 limitation also applies to misplacing or losing of silverware, goldware and pewterware on the CDO "Classic" or when Special Form on personal property is written.

Add'l Premium per \$100 of coverage: Twp Mutual _____

19. UNSCHEDULED JEWELRY, WATCHES AND FURS - HIGHER LIMITS

The policy limits coverage for unscheduled jewelry, watches and furs to \$2,000 for loss by theft. Coverage may be increased to an aggregate of \$3,000. The \$2,000 limitation also applies to misplacing or losing of jewelry, watches and furs on the CDO "Classic" or when Special Form on personal property is written.

Add'l Premium per \$100 of coverage: Twp Mutual _____

20. REFRIGERATED FOOD PRODUCTS - [PH155](#)

Provides for loss or damage to food products contained in a freezer or refrigerated unit on the insured premises. Endorsement includes \$250 coverage. Higher limits may also be purchased.

Premium per \$250 of coverage: Twp Mutual _____

NOTE: CDO "Classic" - The policy automatically provides up to \$1,000. Coverage may be increased.

21. NEW/UPGRADED HOME COMPONENT DISCOUNT

NOTE: The New/Upgraded Home Component Discount may be applied to the Standard CDO and CDO "Classic" only if both the Township Mutual and North Star Mutual allow it.

- a. Dwellings are eligible for a premium discount as shown in the table below if
 - 1) the original electrical system is less than 12 years old; or
 - 2) the electrical system has been fully replaced within the last 12 years. All of the old electrical wiring must be removed and replaced by new wiring. There must be new receptacles, new circuit boxes and conduit in exposed areas. The work must be certified by the installer as fully replaced. The electrical system must be inspected and approved by local civil authority for state and local building code compliance. Dwellings which have been partially rewired are not eligible.
- c. The discount shall apply only to the dwelling base premium (must adjust for the following if applicable: revised limits of Coverage B and C, lower limits of Liability and Medical Payments and the selection of a deductible). It shall not apply to optional coverages or higher limits of liability or property coverages.

Year of Original Electrical System or Year Electrical System Totally Replaced	Apply Discount of:
Current Calendar Year	24%
1 Year Preceding Current Calendar Year.....	22%
2 Years Preceding Current Calendar Year.....	20%
3 Years Preceding Current Calendar Year.....	18%
4 Years Preceding Current Calendar Year.....	16%
5 Years Preceding Current Calendar Year.....	14%
6 Years Preceding Current Calendar Year.....	12%
7 Years Preceding Current Calendar Year.....	10%
8 Years Preceding Current Calendar Year.....	8%
9 Years Preceding Current Calendar Year.....	6%
10 Years Preceding Current Calendar Year.....	4%
11 Years Preceding Current Calendar Year.....	2%

22. COMPANION POLICY DISCOUNT (Basic-Dwelling, Broad-Dwelling, Special-Dwelling)

Policies are eligible for a 10% discount if the insured's Personal Auto Insurance is insured through North Star Mutual. This discount does not apply to tenant's policies. This discount would apply to the North Star Mutual base premium.

23. WOOD SHINGLE SURCHARGE (Basic-Dwelling, Broad-Dwelling, Special-Dwelling)

All policies with risks that have wood shingles will be surcharged 15%. This surcharge would apply to the North Star Mutual Base Premium.

24. SECONDARY LOCATION

A secondary location owned and occupied by the insured and located in the same state as the primary location and located within the writing territory of the Township Mutual may be insured. If a secondary residence is not located in the writing territory, it can be insured as long as the Township Mutual is insuring the primary residence or farm. Minimum limit for Coverage A - Dwelling is \$25,000. The same form and deductible must be used for both primary and secondary locations.

Use the Base Premium Charts for computing the base secondary location premium. To this must be added the liability charge for an ADDITIONAL RESIDENCE PREMISES OCCUPIED. When issued in conjunction with the primary location deduct \$26.00 for duplicate Personal Liability coverage.

25. TOWNHOUSES

(If Townhouse is owned by an Association, it's important that the contract agreement includes floor joists, wall board, etc.)

Townhouses are defined as "a type of dwelling unit normally having two, but sometimes three, stories and usually connected to a similar structure by a common wall". There can be no other families living above or below the unit that is being insured. Only townhouses with 1 or 2 family units per fire division are eligible. Rate as any other dwelling by using the base premiums.

B. PROVIDED BY THE TOWNSHIP MUTUAL ONLY

The following options may be provided by the Township Mutuals. Please refer to the packaging Township Mutual for their participation and specific rates.

1. THEFT OF BUILDING MATERIALS - RESIDENCE UNDER CONSTRUCTION - [PH413](#)

All CDO forms exclude loss by theft of the insured's property from a residence under construction. An optional endorsement is available to provide theft coverage from his/her residence while it is being built.

The CDO rules permit the writing of a CDO policy on a dwelling under construction for occupancy by the insured. This endorsement may then be attached to provide theft coverage.

The endorsement gives this coverage for 180 days at a flat premium charge and is subject to a \$100 deductible.

Flat Premium Charge per policy: \$ _____

2. FIRE DEPARTMENT SERVICE CHARGE - HIGHER LIMITS

The policy limits coverage for Fire Department Service Charge to \$500. This may be increased as needed.

Additional Premium per \$100 of coverage: \$ _____

3. WATER OR SEWER BACKUP - [PH88](#)

Provides for direct loss to covered property caused by water which backs up through sewers or drains or water which enters into and overflows from within a sump, sump pump well or any other type system. The policy deductible amount (not less than \$250) and terms apply to this coverage. Endorsement includes \$1,000 coverage. Higher limits may be purchased.

Premium per \$1,000 of coverage: \$ _____

4. CREDIT CARDS, DEBIT CARDS, ELECTRONIC FUND TRANSFER CARDS AND DEPOSITORS FORGERY - HIGHER LIMITS

The policy limits coverage for unauthorized use of credit cards, debit cards and electronic fund transfer cards, loss by forgery or alteration of checks or drafts, or acceptance of counterfeit paper currency to \$1,000. This may be increased to the aggregate limits shown below.

Additional Premium:	\$ 2,500	\$ _____ per policy
	\$ 5,000	\$ _____ per policy
	\$ 7,500	\$ _____ per policy
	\$10,000	\$ _____ per policy

5. EARTHQUAKE – [PH54](#)

Coverage may be provided for direct physical loss caused by earthquake. Coverage must be written at the limit provided by the policy. The earthquake rates shown for Coverages B and C must be applied to the increases or additions of these coverages. The additional premium is:

	Frame	All Others
Standard and Classic	\$ _____	\$ _____
Tenant's Policy	_____	_____
Higher Limits Of:		
Coverage B per \$100 coverage	_____	_____
Coverage C per \$100 coverage	_____	_____

6. PREMIUM DISCOUNTS FOR PROTECTIVE DEVICES

The following premium discounts will be allowed for the installation of a burglar alarm, fire alarm, or automatic sprinkler system in the dwelling. Systems must be UL approved and maintained in good working condition.

- a. Central Station Burglary and/or Fire Alarm System - a discount up to ___%.
- b. Alarm system that alerts the Fire Department or Police Department - a discount up to ___%.
- c. Burglary and/or Fire Local Alarm System - a discount up to ___%. (For the purposes of this rule, a Fire Local Alarm System shall include smoke, heat or gas detectors.) This discount is not available when items a. or b. apply.
- d. Automatic Sprinkler System with sprinklers in all areas including bathrooms, attics and attached structures - a discount up to ___%.
- e. Automatic Sprinkler System with sprinklers not in all areas - a discount up to ___%.

These discounts apply to the Township Mutual Portion of the base premium (must adjust for the following if applicable: revised limits of Coverage B and C and the selection of a deductible). It shall not apply to optional coverages or higher limits of liability or property coverages. Maximum discount allowed is 8%.

7. WOODBURNING/SOLID FUEL

Please contact the Township Mutual for their guidelines, requirements and acceptability.

C. PROVIDED BY NORTH STAR MUTUAL ONLY

1. SPECIAL FORM - COVERAGE C - HOUSEHOLD PERSONAL PROPERTY

Provides for risks of direct physical loss unless the loss is excluded for household personal property. This coverage is only available when the dwelling is written on the Special Form or when writing a Tenant's Policy. The Broad Perils coverage (except windstorm and hail, sinkhole collapse and volcanic action) must be provided by the Township Mutual and North Star Mutual provides the other risks of direct physical loss unless the loss is excluded.

Add'l Premium per \$100 of coverage:	North Star Mutual	\$ 0.04
Minimum Premium:	North Star Mutual	\$10.00

2. ACTUAL CASH VALUE LOSS SETTLEMENT - WINDSTORM OR HAIL LOSSES TO ROOFS - [PH900](#) (Basic, Broad, Special - Dwellings)

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions. The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roofs when damage is caused by the peril of Windstorm or Hail. To develop the premium for this option, multiply the base North Star Mutual premium by a factor of 0.90.

3. ACTUAL CASH VALUE LOSS SETTLEMENT - WINDSTORM OR HAIL LOSSES TO ALL EXTERIOR SURFACES - [CF-1742](#) (Basic, Broad, Special - Dwellings)

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions. The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roofs, exterior walls and other exterior surfaces when damage is caused by the peril of Windstorm or Hail. To develop the premium for this option, multiply the base North Star Mutual premium by a factor of 0.85.

4. ASPHALT SHINGLE REPLACEMENT COST CHARGE

As asphalt shingles age they become more susceptible to damage by windstorm and hail. To maintain replacement cost coverage, a charge will be made on dwellings with asphalt shingles 16 years old and older. The shingle age is determined by the difference between the current calendar year and the year the shingles were installed. For example, calendar year is 2012 and the shingles were installed in 1995, the shingle age would be 17 years. When a dwelling has multiple shingle ages the oldest shingle age will be used to determine the level of charge.

This charge is not applicable when Actual Cash Value Loss Settlement – Windstorm or Hail Losses to Roofs (PH900), Actual Cash Value Loss Settlement – Windstorm or Hail Losses to All Exterior Surfaces (CF-1742), or Actual Cash Value Loss Settlement To Roofs (PH901) applies.

Asphalt Shingle Age	% Charge
New to 15 Years	0%
16 Years	4%
17 Years	8%
18 Years	12%
19 Years	16%
20 Years and Older	20%

5. METAL ROOF DISCOUNT (Cosmetic Damage Exclusion applies)

Dwellings

Dwellings are eligible for a 10% discount when the dwelling has a metal roof surface. The discount also applies to increased limits of Coverage B. This discount is optional and when taken, form CF-2059 Cosmetic Damage Exclusion is added to the dwelling and related private structures insured under Coverage B.

Related Private Structures – [PH40](#), [PH48](#)

A metal roof discount is available on a Related Private Structure, specifically insured using Form PH40 or PH48, if it has a metal roof surface. This discount is optional and when taken, form CF-2059 Cosmetic Damage Exclusion is added to the insured structure. Use the rating information shown for each form in this manual.

6. VALUED CUSTOMER DISCOUNT

A discount, for customers of continuous Combination Dwelling Owners (CDO) policies written with North Star Mutual for 3 or more consecutive years, will be applied starting with the 4th policy period. The discount, as shown in the table below, will be applied to the total policy premium for each policy at each yearly policy anniversary. The maximum discount is 10%, as shown below.

Number of Policy Periods With North Star Mutual	Factor	Number of Policy Period With North Star Mutual	Factor
1 st , 2 nd & 3 rd policy periods	1.00	11 th policy period	0.94
4 th policy period	0.99	12 th policy period	0.93
5 th policy period	0.98	13 th policy period	0.93
6 th policy period	0.97	14 th policy period	0.92
7 th policy period	0.96	15 th policy period	0.92
8 th policy period	0.95	16 th policy period	0.91
9 th policy period	0.95	17 th policy period	0.91
10 th policy period	0.94	18 th policy period or more	0.90

7. IDENTITY THEFT PROTECTION - [NS-2786](#)

Applies to Standard CDO and CDO "Classic". Provided by North Star Mutual only.

This protection consists of:

a. Identity Theft Recovery Service

An advocacy service provided through our partnership with Identity Theft 911. This fully case-managed expert service takes care of victims' problems by leading them through the restoration process, including notifying the appropriate authorities, dealing with governmental agencies, credit collection agencies, credit bureaus, and credit grantors until the crisis is resolved. They even follow-up months later to ensure success.

b. Disaster Document Recovery

Identity Theft 911 also assists disaster victims rebuild their original means of identification, as well as recreate other crucial personal and financial documents or help them with emergency authentication if they are impacted by disasters, such as hurricanes, tornados, earthquakes, including acts of terrorism, as well as home fires and floods - regardless of whether an identity theft occurred. Should an identity theft occur as a consequence of such a disaster, their advocate is there to protect and rebuild their identity.

c. Identity Fraud Expense Coverage – NS-2786

Coverage of \$5,000 is provided, at no additional cost, for expenses incurred by an insured as the direct result of identity fraud. Identity fraud occurs when an individual's personal identifying information is used without his or her permission to purchase goods or services, obtain credit, borrow money, or otherwise violate federal, state, or local law. A \$100 deductible applies to Identity Fraud Expense coverage.

Coverage is provided for expenses resulting from identity fraud that occurs at any time prior to the end of the policy period and is discovered by the insured during the policy period or during the one-year period that follows. In the event that the insured obtains replacement identity fraud expense coverage, the one-year extended discovery period terminates as of the date the replacement coverage takes effect.

Covered expenses include:

- Costs for obtaining, reproducing, notarizing, or sending affidavits or other pertinent documents;
- Costs for telephone calls;
- Research fees;
- Lost earnings, not to exceed a maximum of \$250 per day, per insured, or a total of \$5,000 for lost earnings of all insureds;
- Loan application fees for reapplying for a loan; and
- Attorney fees to defend lawsuits, remove criminal or civil judgments, or challenge information provided in a consumer credit report.

Optional higher limits of Identity Fraud Expense Coverage may be purchased:

Amount of Increase	Total Limit	Additional Premium
\$ 5,000	\$10,000	\$ 5.00
10,000	15,000	10.00
15,000	20,000	15.00
20,000	25,000	20.00

8. INSTALLED EQUIPMENT BREAKDOWN COVERAGE – [NS-2703](#)

For an additional premium, Installed Equipment Breakdown Coverage can be added to the CDO. Installed Equipment Breakdown covers mechanical and electrical breakdown of installed equipment in a dwelling. Covered equipment includes: equipment designed and built to operate under internal pressure or vacuum, other than weight of contents, communication and computer equipment and other electrical or mechanical equipment. The policy deductible applies subject to a minimum deductible of \$500 for the equipment breakdown coverage. Coverage limits are as follows:

Coverage A, C & D.....\$50,000
 Spoilage of Perishable Goods\$ 3,000

Coverge A Amount	Policy Deductible						
	\$100	\$250	\$500	\$1,000	\$2,500	\$5,000	\$10,000
\$0 - \$249,999	\$10.00	\$10.00	\$10.00	\$ 8.00	\$ 6.00	\$ 5.00*	\$ 5.00*
\$250,000 - \$499,999	\$17.00	\$17.00	\$17.00	\$14.00	\$12.00	\$10.00	\$ 9.00
\$500,000 - \$999,999	\$25.00	\$25.00	\$25.00	\$21.00	\$18.00	\$16.00	\$15.00

* Minimum Premium

9. LIABILITY COVERAGE SECTION - OPTIONAL LIMITS OR ADD'L RESIDENCE PREMISES

The base Liability limit is \$100,000 and the base Medical Payment limit is \$1,000. Higher limits are available or base limits may be reduced as shown in the charts that follow. When writing a CDO "Classic" these limits may not be reduced lower than \$100,000 Liability and \$1,000 Medical Payments.

Liability Medical Payments	Base Limits					For each \$500 Med. Pay. Add or Discount:
	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000	
Described Residence Premises:						
1 or 2 Family	\$- 4	\$--	\$15	\$23	\$ 35	\$3
Add'l Residence Premises Occupied by Insured:	8	9	12	14	21	2
Add'l Residence Premises Rented to Others:						
1 Family	13	15	18	20	30	2
2 Family	26	30	35	38	57	4
3 Family	39	45	52	56	84	6
4 Family	52	60	69	74	111	8

Our maximum number of rental units is limited to four 1 to 4 family dwellings. If more, please refer to our Commercial Underwriting Department.

Tenant Occupied:

A policy may be issued to the tenant (non-owner) of a dwelling or apartment if the residence occupied by the insured is used only for residential purposes. Up to 4 individuals may be insured under 1 policy, provided that each individual is named as an insured on the declarations. Charge \$26 for each occupant in excess of 1.

10. INCIDENTAL OFFICE - [PH42](#)

When the insured maintains an incidental office, professional, private school or studio use in the dwelling, which otherwise meets the eligibility requirements, the limit of insurance for Coverage C (Household Personal Property) must not be less than 60% of the Coverage A limit on the Standard CDO and 70% of Coverage A on the CDO "Classic".

Add to the foregoing, the appropriate charge from the following table:

Liability	Base Limits					For each \$500 Med. Pay. Add or Discount:
	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000	
Medical Payments	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
	\$9	\$11	\$13	\$15	\$23	\$2

NOTE: These rates are not to be used for Day Care or Babysitting. Refer to Babysitting rates for rating and eligibility.

11. BABYSITTING - [PH157](#)

Liability and Medical Payments may be extended to provide coverage for babysitting in the insured's home subject to the underwriting rules below:

Underwriting Rules for Babysitting

- a. If the insured babysits 5 children or less, we can write the CDO policy and also provide liability for babysitting.
- b. If the insured babysits more than 5 children, we can write the CDO policy only if we receive a copy of the daycare liability policy that has been purchased elsewhere. NO liability coverage will be provided under the CDO policy for daycare operations.

Liability	\$300,000	\$500,000	\$1,000,000	For Each \$500 Med. Pay. Add or Discount:
Medical Payments	\$1,000	\$1,000	\$1,000	
	\$74	\$81	\$122	\$3

NOTE: Minnesota minimum insurance requirements for this coverage are \$250,000 per occurrence, subject to \$100,000 per person.

12. WATERBED LIABILITY - [PH209](#)

Coverage may be provided for the property damage liability of an insured arising out of the ownership or use of a waterbed on the insured premises rented to, occupied by, used by or in the care of an insured. This does not cover property damage to premises owned by an insured. (Does not include Medical)

Limits of Insurance:	Base Limit				
	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
Additional Premium:	\$17	\$19	\$25	\$28	\$42

13. PERSONAL INJURY - [PH46](#)

May be added to all CDO policies for a fully earned additional premium. (Does not include Medical)

Limits of Insurance:	Base Limit				
	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
Additional Premium:	\$10	\$12	\$15	\$17	\$26

14. HORSES

Riding horses present a much greater liability exposure than the normal CDO policy was designed to cover. North Star Mutual will provide Liability coverage subject to the underwriting rules below:

Underwriting Rules for Liability Coverage on Horses

- a. Horses must be for insured's own pleasure.
- b. We must be notified if horses are in any horse shows or parades.
- c. The following situations are not acceptable:
 - 1) Insured permits extensive use by friends or relatives.
 - 2) Insured gives riding lessons.
 - 3) Insured rents horses out.
 - 4) Insured is involved in the boarding or training of horses.

To rate this, use the following procedure: Farm Liability Base Charge plus Livestock Exposure Charge plus Horse Charge. See FARM LIABILITY COVERAGE.

15. OUTBOARD MOTORS LIABILITY - [PH75](#)

Coverage is automatically provided for outboard motors 50 H.P. and less on the Standard CDO and 100 H.P. and less on the CDO "Classic". The policy may be extended to cover Liability and Medical Payments for outboard motors with a higher H.P. than what's automatically provided by applying the rates shown below. If two or more outboards 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. (Houseboats are not eligible)

<u>Limits of Insurance</u>	<u>STANDARD Over 50 H.P.</u>	<u>CDO "CLASSIC" Over 100 H.P.</u>
\$ 50,000/1,000	\$13	
100,000/1,000 Base Limits	16	\$16
300,000/1,000	20	20
500,000/1,000	24	24
1,000,000/1,000	36	36
For each \$500 Medical Payments Add or Discount:	4	4

For underwriting rules refer to the heading Underwriting Rules For Recreational Vehicles and Watercraft.

16. INBOARD, IN/OUTBOARD MOTOR BOATS, SAILBOATS AND PERSONAL WATERCRAFT LIABILITY - [PH75](#)

Coverage must be written to expiration of the policy. In Minnesota the normal navigational period for an inboard, inboard-outboard motor boat, sailboat or personal watercraft is 6 months. (It is not permissible to stipulate a navigational period for outboard motors.) The premiums shown below are for a six (6) month navigational period. **(Houseboats are not eligible)**

**RATING IS BY SIZE AND SPEED
PREMIUMS SHOWN ARE FOR A 6 MONTH NAVIGATIONAL PERIOD**

<u>Limits of Insurance</u>	<u>30 MPH & UNDER</u>	<u>OVER 30 MPH</u>	<u>SAILBOATS**</u>	<u>PERSONAL WATERCRAFT</u>
	<u>Less than 26 feet</u>	<u>Less than 26 feet</u>	<u>26 to 40 feet</u>	<u>(Per Each Unit)</u>
\$ 50,000/1,000	\$19	\$ 46	\$19	\$ 68
100,000/1,000 *	22	52	22	74
300,000/1,000	29	69	29	95
500,000/1,000	33	77	33	106
1,000,000/1,000	50	116	50	159
For each \$500 Medical Payments Add or Discount:	3	6	3	7

* **Base Limits**

** Included if under 26 feet. Rates shown are for sailboats with no auxiliary power.

For underwriting rules refer to the heading Underwriting Rules For Recreational Vehicles and Watercraft.

17. BUSINESS ACTIVITIES - PH71

Coverage may be provided for the liability of an insured arising out of business activities, other than a business of which the insured is sole owner or a partner.

Classify and apply separately for each person insured:

Classification

- A - Clerical Office Employees
Salesmen, Collectors or Messengers - No installation, demonstration or servicing.
- B - Salesmen, Collectors or Messengers - Installation, demonstration or servicing operations.
- C - Teachers - Athletic, laboratory, manual training, physical training and swimming instruction, excluding corporal punishment.
- D - Teachers - Not otherwise classified, excluding corporal punishment.
- E - Teachers - Liability for Corporal Punishment. Additional premium for this coverage must be added to premium for classification C or D.

Limits of Insurance

Classification

	A	B	C	D	E*
\$ 50,000/1,000	\$4	\$ 6	\$10	\$5	\$4
100,000/1,000 Base Limits	5	7	11	6	5
300,000/1,000	6	8	12	7	6
500,000/1,000	7	9	13	8	7
1,000,000/1,000	11	14	20	11	11
For each \$500 Med. Pay. Add or Discount:	2	2	2	2	--

* Does not include Medical Payments

18. FARM LIABILITY COVERAGE

When an insured has more than 40 acres, and/or there are farming operations, and/or there are horses or other livestock, the following charges apply:

Base Coverage Includes BODILY INJURY and PROPERTY DAMAGE, MEDICAL PAYMENTS, \$1,000 DAMAGE TO PROPERTY OF OTHERS, FIRE LEGAL LIABILITY (Up to Limit of Insurance for Coverage "L" - Personal Liability), EMPLOYER'S LIABILITY (for part time employees working 40 days or less per year), \$100,000 aggregate limit for SPRAY DRIFT OF AGRICULTURAL CHEMICALS from the insured premises, \$50,000 aggregate limit for the accidental DISCHARGE, SPILL, RELEASE OR ESCAPE OF AGRICULTURAL CHEMICALS, LIQUIDS AND GASES from the insured premises.

Liability	Limits of Insurance					Medical Payments
	Base Limits					
	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000	For each \$500
Medical Payments (\$5,000 Maximum)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	Add or Discount:

Base Charges

320 acres or less, 1 dwg, 1 set of bldgs	\$ 83	\$ 92	\$129	\$158	\$250	\$3.00
321-1000 acres, 1 dwg, 1 set of bldgs	98	111	150	184	289	3.00
Over 1000 acres, 1 dwg, 1 set of bldgs	115	128	174	215	336	3.00

NOTE: For farm land not operated by the insured/no making of hay and with 5 or less head of horses/other livestock, use 50% of the rates shown above.

Additional Charges

Additional Farm Premises with Buildings (Owned or Rented)	14	16	19	22	33	2.00
If incidental office in any of the above add	9	11	13	15	23	2.00
Livestock Liability Exposure Charge	57	63	70	77	116	6.00

Horses

1-2 Horses	Included in Livestock Liability Exposure Charge above					
3-5 Horses	25	30	35	40	60	3.00

SEE PAGE NSCDO-23 FOR UNDERWRITING RULES.

19. FARM LIABILITY COVERAGE (Continued)

Liability	Limits of Insurance					Medical Payments For each \$500 Add or Discount:			
	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000				
Medical Payments (\$5,000 Maximum)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000				
Personal Injury (No Medical Pay.)	12	15	19	21	32	--			
Employer's Liability (Includes Medical Payments)									
(This does not replace Worker's Compensation coverage that may be required.)									
EACH FULL TIME EMPLOYEE, (working 180 days per year or more)	25	27	34	37	56	4.00			
EACH PART TIME EMPLOYEE, (working over 40 days, but less than 180 days per year)	15	16	19	21	32	4.00			
Damage To Property Of Others									
(Includes damage by animals & farm machinery of others coverage - \$1,000 limit included without additional premium charge)									
Limits of Insurance:	<u>\$2,000</u>	<u>\$3,000</u>	<u>\$4,000</u>	<u>\$5,000</u>	<u>\$6,000</u>	<u>\$7,000</u>	<u>\$8,000</u>	<u>\$9,000</u>	<u>\$10,000</u>
Additional Premium:	\$10	\$20	\$30	\$40	\$50	\$60	\$70	\$80	\$90

20. RECREATIONAL MOTOR VEHICLE LIABILITY - [PH164](#) OR [CF-1849](#)

Liability and Medical Payments may be extended to provide off premises coverage for Snowmobiles and **unlicensed** All Terrain Vehicles (PH164) by applying the rates shown below. This does not provide coverage for:

- any Recreational Motor Vehicle licensed for road use, or
- motorcycles, trail bikes, dirt bikes, mini bikes or similar 2-wheel type vehicles.

Limit of Liability	Snowmobiles & Unlicensed All Terrain Vehicles	ATV's Licensed for Road Use
	(1 Charge)	(Per Unit)
\$ 50,000/1,000	\$50	N/A
100,000/1,000 Base Limits	52	\$25
300,000/1,000	67	32
500,000/1,000	75	36
1,000,000/1,000	113	54
For each \$500 Med. Pay. Add or Discount:	6	5

Liability and Medical Payments may be extended to provide on and off premises coverage for **licensed** ATV's (CF-1849) at the per unit charge shown above.

Snowmobile Auxiliary Hazard Warning Lighting System Discount - A 5% discount will be applied to the above premiums if a snowmobile has an "auxiliary hazard warning lighting system" that is installed by the manufacturer of a snowmobile as original equipment or installed in a snowmobile by the manufacturer or an authorized dealer of that manufacturer as an after market system that does the following when activated:

- a yellow light emitting diode (L.E.D.) light on the front of the snowmobile that flashes at least once per second and is visible at least one-half mile in front of the snowmobile; and
- a red light emitting diode (L.E.D.) light on the rear of the snowmobile that flashes at least once per second and is visible at least one-half mile from behind the snowmobile.

Golf Carts - Coverage is included in the base policy while golf cart is being used for golfing purposes away from premises. Coverage for liability and medical payments arising out of the off-premises use of golf carts, not subject to motor vehicle registration, for purposes other than golfing may be available - please call a Home Office underwriter.

NOTE: This coverage will automatically be added to a policy when Inland Marine coverage for snowmobiles or ATV's is requested unless the insured specifically declines liability coverage.

21. INLAND MARINE COVERAGES

Coverage for Boats and Outboard Motors, Home Computers, Recreational Vehicles, Scheduled Personal Property and other Inland Marine classes may be endorsed onto the CDO. Complete and attach an Inland Marine Application. Refer to the Inland Marine Section of this Agents Manual for forms, rules, rates and underwriting criteria.

22. UNDERWRITING RULES FOR RECREATIONAL VEHICLES AND WATERCRAFT

- a. Do not bind collision coverage on snowmobiles. A visual inspection and photo that verify no existing damage are required before collision coverage may be bound.
- b. Physical damage coverage must be for 100% of present value. Liability and Medical Payments must be concurrent with CDO Policy to which attached.
- c. Coverage can be included under the CDO for Liability and physical damage. It is not mandatory to include both as long as the applicant fully understands the coverage he/she has purchased.
- d. Snowmobiles, ATV's, personal watercraft, golf carts, boats and motors are not acceptable:
 - 1) If licensed for road use (Does not apply to CF-1849).
 - 2) If used for business purposes.
 - 3) If used for racing, competition or similar contest purposes or any stunting activity.
 - 4) If rented to others.
 - 5) If the engine or gear ratio has been modified for speed or acceleration purposes.
 - 6) If there are 2 or more chargeable accidents or traffic violations in the past 3 years or if there have been any accidents or violations when written on a Tenant's Contents policy.
 - 7) Where there has been a conviction for driving under the influence, open bottle violation, careless or reckless driving, hit and run, or leaving the scene of an accident in the past 3 years.
 - 8) Where the principal operator is under 18 years old.
- e. Dirt bikes, mini-bikes, mopeds, cabin cruisers, yachts, inboards or houseboats are not acceptable.
- f. Snowmobiles are not acceptable if written on a Tenant's Contents Policy.
- g. Submit any other type of recreational vehicles to Home Office before binding.
- h. Submit the drivers license number and the date of birth of all operators.
- i. Submit a completed Form CF-775 - Recreational Vehicle/Watercraft Questionnaire.
- j. Refer to the Inland Marine Section of this manual for Inland Marine Underwriting criteria for Recreational Vehicles and Watercraft.

BREAKDOWN OF PREMIUM

1. BASE PREMIUMS

The Base Premium Charts in this manual show North Star Mutual's rates. The Township Mutuals determine their own rates and subsequently the total premium charged.

2. OPTIONAL AND ADDITIONAL COVERAGES

- a. Provided by the Township Mutual and North Star Mutual - All increases and decreases in premium in this manual show North Star Mutual's rates. The Township Mutuals determine their own rates and subsequently the total premium charged.
- b. Provided by the Township Mutuals Only - These premiums are determined by Township Mutuals and apply only to the Township Mutuals.
- c. Provided by North Star Mutual Only - These premiums apply only to North Star Mutual.

CDO "CLASSIC"

The North Star Mutual CDO "Classic" Program is designed for risks of a better class in all respects and basically for dwellings built after 1965. This will require careful original risk selection and continuous monitoring by the agent.

PROPERTY COVERAGES will automatically be annually updated based on changing dwelling construction cost factors. A statement to this effect is contained in the application and the application must be signed by the applicant. The residence must be insured to 100% of Replacement Cost. It is important for the Township Mutual and Agency to monitor this requirement.

COVERAGES

The CDO "Classic" (Forms PH1 and PH5) provides (and includes) the same property and liability coverages as the Standard, plus the following:

1. Covers the dwelling, related private structures, household personal property and increased living cost against risk of direct physical loss unless the loss is excluded. When CDO "Classic" is written, the Township Mutual provides the Broad Perils, (except windstorm and hail, sinkhole collapse and volcanic action) and North Star Mutual provides the other risks of direct physical loss unless the loss is excluded.
2. Provides expanded coverage replacement cost coverage to the dwelling not to exceed 110 percent of the Coverage A limit. (Related private structures also have replacement cost coverage, subject to a limit of 10% of the dwelling's replacement cost at the time of loss).
3. Replacement Cost and Special Form coverage on household personal property are automatic on the CDO "Classic".
4. Refrigerated food products coverage is automatically provided up to \$1,000. No deductible applies.
5. Debris removal coverage is broadened to include \$500.00 coverage for the cost of the removal of tree debris caused by windstorm or hail (need not have damage to "insured property").
6. Personal Injury Coverages - Automatically included up to the personal liability limit.
7. Watercraft Liability and Medical Payments include coverage for outboard motors 100 H.P. and less.

LIMITS OF INSURANCE

The following are the standard limits of insurance under the CDO "Classic" policy:

COVERAGE:	Limits of Insurance
A - Dwelling (Minimum Amount)	\$150,000
B - Related Private Structures	10% of limit on dwelling
C - Household Personal Property	80% of limit on dwelling
D - Increased Living Cost	Actual loss sustained in 12 months
L - Personal Liability	\$100,000 each occurrence
M - Medical Payments to Others	\$1,000 each person

ELIGIBILITY AND UNDERWRITING REQUIREMENTS

1. A completed CDO Application must be submitted along with at least two (2) photographs of the dwelling (front and rear) and photos of all other structures taken from a distance and an angle that shows the structures overall condition accurately and social security number. Credit Bureau Reports are often used in determining acceptability of a risk. Full disclosure of all outbuildings (whether intended to be insured or not) including descriptions, dimensions, and photos is required.
 2. Only 1 family owner-occupied dwellings used for private residential purposes and with no more than 2 boarders or roomers are eligible.
 3. A CDO "Classic" policy may be issued to cover a dwelling in the course of construction provided the policy is issued only in the name of the intended owner occupant of the dwelling.
 4. The minimum limit on the dwelling must not be less than \$150,000. Please check with your Township Mutual for the maximum limit available for a dwelling.
 5. The dwelling must be insured for 100% of current replacement cost. Contents will also be on a replacement cost basis and cannot be written for less than 70% of Coverage A - Dwelling.
 6. An addition to or remodeling of a covered building which increases its value by 5% or more must be reported within 30 days.
 7. A smoke detector should be installed on each level. For dwellings with 3 levels, a minimum requirement is that smoke detectors be placed on at least 2 levels.
 8. The CDO "Classic" has been designed for dwellings built after 1965. Dwellings which meet all 4 of the following requirements shall also be considered eligible:
 - a. Electrical service must have been completely upgraded within the last 30 years, including new wiring, new receptacles, new circuit boxes and conduit in exposed areas. Such upgrading shall have been approved by a state electrical inspector.
 - b. Plumbing must have been completely upgraded within the last 30 years, including new pipes.
 - c. Heating System (furnace) must have been replaced within the last 30 years.
 - d. Roof shingles must have been replaced within the last 20 years. (Roof surfaces that are 15 years old or older may not be insured for replacement cost coverage.)
- Dwellings built in or before 1965 will be considered if they meet all 4 of the above requirements and a special supplemental application, CF-580, is completed.
- Once written on the CDO "Classic", renewals under this plan will be considered for dwellings exceeding the above requirements age limits subject to proper maintenance, updating and good loss experience.
9. The roof needs to have been reshingled in the last 20 years. (Roof surfaces that are 15 years old or older may not be insured for replacement cost coverage.)
 10. Dwellings are not acceptable if they have older wood roofs or if they have asbestos slate roofs or siding.
 11. Seasonal dwellings are not eligible on the CDO "Classic" and are to be written only on the Standard CDO.
 12. Dwellings with masonry fireplaces that have a masonry/brick chimney and clay liner will be acceptable. Dwellings with UL approved fireplaces and UL approved metal chimneys are acceptable if they have been installed after January 1, 1986. Dwellings and other structures with any other type of woodburning equipment are not acceptable.
 13. Farm Liability is required when:
 - a. there are more than 40 acres;
 - b. the insured has farming operations; or
 - c. there are horses or other livestock.
 14. The following is a list of CDO risks not eligible to be written or bound under the CDO "Classic":
 - a. Property that is in generally below average physical condition. The CDO "Classic" is designed for risks of better class in all respects. This will require careful original risk selection and continuous monitoring by the agent.
 - b. Risks cancelled or nonrenewed by other carriers.
 - c. Risks which have sustained 2 or more losses during the past 3 year period.
 - d. Dwelling risks which were not originally designed for dwelling purposes. (e.g., a mercantile building converted to a dwelling.)
 - e. TRAILER HOMES, MOBILE HOMES, DOUBLE WIDE MOBILE HOMES, CONVERTED MOBILE HOMES OR HOUSE TRAILERS, whether permanently located with attached leans or not. THESE ARE SPECIFICALLY EXCLUDED FOR CDO COVERAGE.
 - f. Hobby farms or any risk currently and/or formerly occupied as FARM PROPERTY on which any current and/or former farm buildings still exist.
 - g. Homes with more than 2 related private structures or with a related private structure larger than 1,600 square feet.

ELIGIBILITY AND UNDERWRITING REQUIREMENTS (Continued)

- h. Dwellings without a central heating system (other than all-electric homes).
- i. Risks where insureds have a history of financial instability within the last 5 years.
- j. Risks with wild animals or pets that show aggressive or vicious tendencies
- k. Risks with Dobermans, Rottweilers, Siberian Huskies, Alaskan Malamutes, Presa Canarios (also known as Canary Island Cattle dog), Pit Bulls (including, but not limited to, American Pit Bull Terriers, American Staffordshire Terriers, or Staffordshire Bull Terriers), Chows or dogs with aggressive tendencies should not be submitted.
- l. Unusual risks including basement homes, log homes, earth homes, dome homes, and homes with flat roofs.
- m. Do not submit risks with trampolines or swimming pools, unless prior approval has been received from a North Star Mutual underwriter.

DEDUCTIBLES

Base Deductible: The CDO "Classic" policy is set up with a flat \$1,000 deductible applicable to all property losses (except for the Inland Marine forms - see Inland Marine Section).

Optional Deductible: The CDO "Classic" policy deductible may be changed by applying the following Modification Factor to:

- 1. Premium from Base Premium Chart; and
- 2. Premium for amended limits for Coverages "B" and "C"

Deductible:	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,500</u>	<u>\$5,000</u>	<u>\$10,000</u>
Modification Factor:	1.30	1.10	1.00 (Base)	.89	.78	.67

LOCATION OF RISK MODIFIERS

To determine the final premium, a location of risk modifier must be applied to the North Star Mutual base premium and all optional property coverage. The location of risk modifier does not apply to Liability (except for what is included in the base premium) or Inland Marine premiums. The location of risk modifier to apply to a policy is determined by the county of the primary location. A listing of the location of risk modifiers, by county, can be found on page NSCDO-6.

OPTIONAL AND ADDITIONAL COVERAGES

Rates or factors for Optional and Additional Coverages and increased limits on the CDO "Classic" are the same as on the Standard, except the following are not applicable under the CDO "Classic":

- Modified Replacement Cost-Residence and Related Private Structures - PH256
- Condominium Unit-Owner Additions - PH31 and PH32
- Secondary Location
- Townhouse Coverage
- Loss Assessment
- Association Deductible

The following coverages have been worked into the CDO "Classic" Policy and/or premium:

- Expanded Replacement Cost Coverage
- Replacement Cost Endorsement - PH55
- Refrigerated Food Products (\$1,000 coverage automatically included) - PH155
- Personal Injury - PH46
- Premium Credits for Smoke Detectors
- Special Form - Coverage "C" - Household Personal Property
- Watercraft Liability and Medical Payments for outboard motors 100 H.P. and less - PH75

RATE PAGES - BASE PREMIUM CHART - CDO "CLASSIC"

(Refer to page NSCDO-6 for Location of Risk Modifiers for each county.)

\$1,000 FLAT DEDUCTIBLE APPLICABLE (ALL PERILS)

PREMIUM INCLUDES \$100,000 LIABILITY AND \$1,000 MEDICAL PAYMENTS

SPECIAL - DWELLING SPECIAL - PERSONAL PROPERTY

Coverage A Dwelling	Twp Mutual	North Star	Comb. Prem.	Coverage A Dwelling	Twp Mutual	North Star	Comb. Prem.
150,000		511		385,000		1,167	
155,000		519		390,000		1,183	
160,000		527		395,000		1,200	
165,000		535		400,000		1,216	
170,000		542		405,000		1,234	
175,000		551		410,000		1,251	
180,000		559		415,000		1,269	
185,000		571		420,000		1,288	
190,000		583		425,000		1,306	
195,000		597		430,000		1,323	
200,000		610		435,000		1,341	
205,000		624		440,000		1,359	
210,000		637		445,000		1,377	
215,000		650		450,000		1,395	
220,000		663		455,000		1,414	
225,000		678		460,000		1,431	
230,000		692		465,000		1,449	
235,000		706		470,000		1,466	
240,000		720		475,000		1,484	
245,000		735		480,000		1,502	
250,000		749		485,000		1,520	
255,000		765		490,000		1,537	
260,000		780		495,000		1,555	
265,000		797		500,000		1,573	
270,000		813		505,000		1,591	
275,000		829		510,000		1,608	
280,000		845		515,000		1,625	
285,000		861		520,000		1,642	
290,000		877		525,000		1,659	
295,000		893		530,000		1,676	
300,000		909		535,000		1,694	
305,000		923		540,000		1,711	
310,000		937		545,000		1,729	
315,000		952		550,000		1,746	
320,000		966		555,000		1,763	
325,000		981		560,000		1,780	
330,000		996		565,000		1,797	
335,000		1,010		570,000		1,815	
340,000		1,025		575,000		1,832	
345,000		1,040		580,000		1,849	
350,000		1,054		585,000		1,867	
355,000		1,070		590,000		1,884	
360,000		1,086		595,000		1,901	
365,000		1,103		600,000		1,918	
370,000		1,119					
375,000		1,135		Each Add'l			
380,000		1,151		5,000 Add:		18	

For Masonry Construction, decrease base premium by 10%.