HOMEOWNER INSURANCE
ADDITIONAL COVERAGES

Armed Forces Insurance
OUR MISSION IS YOU.

AFI.org
Our Mission
Like those who serve our nation, AFI is dedicated to delivering protection and peace of mind.

Our unwavering commitment to personal service is your everyday assurance of competitive rates, easy access to critical information and rapid response to your individual needs.

Our History
Since 1887, Armed Forces Insurance (AFI) has existed with a single, unwavering purpose: To protect the people who protect our nation. AFI was created and continues to be led by former military leaders. We understand and reflect your commitment to duty, honor, and integrity and we recognize the special needs of Department of Defense employees — both military and civilian.

Armed Forces Insurance is a “reciprocal exchange,” a type of cooperative insurer in which the policyholders bear a relationship to each other. In other words, AFI is owned by the policyholders.

OUR MISSION IS YOU.®
Protection from a company that understands your unique needs.

Today, as at our founding in 1887, Armed Forces Insurance (AFI) provides property and casualty coverage designed to meet the special needs of America’s military professionals and DoD personnel. We understand this critical difference in your lifestyle and in your insurance needs.

You get honest service, affordable coverage, and fast claim handling backed by solid financial strength. Our goal is to give you the best insurance coverage at competitive rates.

Policyholders join their colleagues to insure each other’s homes and property and protect each other’s investment in a home through the financial resources maintained by AFI.
The standard homeowner policy is broad in scope and written to provide the most commonly needed coverages. However, in many cases, a policyholder may require additional insurance protection to meet specific needs. Listed inside this brochure are the additional and optional endorsements and credits available to customize your policy to meet your specific needs.

Availability, provisions and premiums of these endorsements vary by state.

Please Note: The information in this brochure is intended to be an informative overview of Additional Coverages from Armed Forces Insurance that you can obtain to protect your home. Coverages are subject to all provisions contained in your insurance policy. Please consult your policy for details of your current coverage.

**Replacement Cost Enhancement (RCE) Endorsement**

Offers protection against being “under-insured” by providing 25% additional coverage for dwelling and separate building structures in the event of a catastrophic (major or complete) loss. This endorsement also increases unscheduled personal property coverage limits and provides replacement cost coverage for the personal property.
Eligibility Requirements for RCE:
• Owner-occupied homes built in the last 30 years (or built after 1954 in some states). Call us to check on your state.
• Insurance must be carried for 100% of the rebuilding cost at the time the endorsement is added.
• The fire protection in your area must be adequate.

Some exceptions apply. Subject to availability under the laws in your state. Not available in Texas.

Replacement Cost Coverage (RCC) Endorsement
Changes loss settlement for unscheduled personal property from the usual Actual Cash Value payment (cost to replace less depreciation) to Replacement Cost (the amount you actually pay to replace the item with a new item of like kind and quality).

In most states, this endorsement increases the amount of insurance for unscheduled personal property to 100% of the dwelling coverage amount. This protection is automatically included with RCE endorsement (above), except in North Carolina.

Adjusted Rebuilding Cost (ARC) Endorsement
This required endorsement adjusts the policy amount at renewal to offset the change in rebuilding costs in your area. The coverage increase amount is based on ZIP code change factors published by a leading national appraising company.

There is not a charge for this endorsement. The policy premium will be based on the coverage amount and generally increases annually. Acceptance of the ARC endorsement is required to qualify for the Replacement Cost Enhancement endorsement.

Other Structures—Increased Limits Endorsement
Provides limits in excess of the automatic 10% of the dwelling amount included in the standard Homeowner Policy.

Several structures may be covered by this endorsement with a specified amount of insurance applying to each as an additional limit of insurance. Examples of other structures include detached garages, pools, fences, gazebos and utility buildings.

Coverage B—Off-Premises Endorsement
Changes the policy to include coverage for other structures owned by you that are away from the residence premises but which are used in connection with the residence premises. The structures covered under this endorsement cannot be used as dwellings or for business purposes.

Ordinance or Law Coverage Endorsement
Extends building coverage to apply for additional costs resulting from ordinances or laws regulating construction, repair or demolition of property.

Depending on the policy terms applicable in your state, an Ordinance or Law endorsement can either override the ordinance or law exclusion of the standard Homeowner policy, or increase the percentage of the coverage limits that may be used for this purpose. Coverage availability and dollar amounts vary by state.

Additional Residence Rented to Others Endorsement
Extends the Personal Liability and Medical payments coverage provided by your Homeowner policy for your legal liability at an additional residence that you own and rent to others.
Additional Residence Occupied by the Policyholder Endorsement
Adds coverage for legal liability incurred in connection with your ownership or use of an additional (second) residence you occupy.

Business Pursuits Endorsement (Teacher’s Liability)
Extends the personal liability and medical payments coverage provided in your Homeowner policy. Business Coverage for legal liability due to bodily injury in connection with teaching activities while a faculty member of an accredited school, college, or university. Coverage for corporal punishment may either be included or excluded under the endorsement.

Home Day Care Coverage Endorsement
Provides coverage for legal liability resulting from limited day care activities on the residence premises. This endorsement also allows the personal property used in the day care business to be covered. If the day care activity is conducted in a separate structure on the premises, a specific amount of physical damage coverage for the structure can be provided.
Not available in HI or NJ.

Permitted Incidental Occupancies (Office/Studio) Endorsement
Expands the homeowner policy terms to permit a portion of the premises to be used for an office or private studio for certain limited incidental business activities. This endorsement provides liability and personal property coverage for the business activity as well as a specified amount of physical damage coverage if the business is conducted in a separate structure on the premises.

Special Computer Coverage Endorsement
Expands the Personal Property Coverage to include additional risks of loss for computer equipment.
  • Does not increase the dollar amount of coverage.
  • Excludes coverage for business computers.
  • Homeowner policy deductible applies.

Water Back Up and Sump Pump Overflow Endorsement
Provides limited coverage for some water damage caused by sewer backups or sump pump failure. This endorsement has a special deductible (usually $250), and is not available in all states.

Earthquake Coverage Endorsement
Provides coverage for damage from an earthquake (including land shock waves or tremors before, during, or after a volcanic eruption) for the dwelling, other structures and personal property. The earthquake endorsement includes a special deductible, which is usually equal to 10% of the coverage limit. This deductible applies separately to each category of coverage.

The earthquake endorsement is not available in California. Earthquake coverage for California residences may be obtained as a separate policy through the California Earthquake Authority (CEA). Call 800-225-6792 to discuss your needs with an AFI agent.
Not available in Texas
Increased Coverage for Personal Property in Other Residences Endorsement

Increases the 10% basic limit for personal property usually located at another residence to a specified higher amount.

Fire Department Service Charge Coverage Endorsement

Increases the limit of liability provided in the homeowner policy (usually $500) for fire department charges incurred when the fire department is called to save or protect covered property from a peril insured against. This endorsement increases the amount of coverage to a specified higher limit.

No deductible applies. Property must be located outside the limits of the city, municipality or protection district furnishing the fire department response.

Watercraft Liability Endorsement

Extends the personal liability coverage of your Homeowner policy for legal liability because of bodily injury or property damage arising out of your ownership or use of a specifically listed boat or sailboat.

Physical damage coverage to the watercraft itself is not included in this endorsement.

Snowmobile Liability Endorsement

Provides coverage for legal liability for bodily injury or property damage arising out of the ownership or use of a listed snowmobile while off an “insured location.”

Does not include physical damage coverage for the snowmobile itself. Restrictions to the coverage apply.

Incidental Motorized Land Conveyances Endorsement

Broadens Personal Liability and Medical Payments to Others coverage for bodily injury or property damage arising out of the ownership or use of a motorized land conveyance with a maximum attainable speed of 15 mph or less and not subject to motor vehicle registration. This coverage does not apply to motorized bicycles, mopeds or motorized golf carts.

Mine Subsidence Coverage Endorsement

Adds coverage for direct physical loss to structures from the collapse of underground mines.

Available only in New York, West Virginia, Ohio, Kentucky, Indiana and Illinois. Coverage and terms vary from state to state.

Sinkhole Collapse Endorsement

Adds coverage for direct loss to property covered under Section 1 of the policy caused by sinkhole collapse (the sudden settlement or collapse of the earth supporting the property which results from underground voids created by the action of water on limestone or similar rock formations).

With this endorsement, the Section 1–Earth Movement exclusion of your Homeowner policy does not apply. Automatically included in Florida policies; available in some other states.
Incidental Farming Personal Liability Endorsement
Extends Personal Liability and Medical Payments coverage to incidental non-commercial farming operations that are conducted by the insured on or away from the residence premises.

Additional Insured Endorsement
Extends the Homeowner policy, at no additional premium, to cover the interest of a non-occupant joint owner.

Additional Interests Endorsement
Lists names of persons or organizations that have an interest in the residence premises. This no-cost endorsement is often used to provide automatic notification of “proof of liability” insurance to interested parties.

Loss Assessment Coverage Endorsement
Increases the usual $1,000 limit of liability for assessments charged against the policyholder by a corporation or association of property owners to a specific higher amount. Loss assessment coverage does not apply to the perils of flood or earthquake.

Residence Rental Theft Endorsement
Amends the basic “Rental Limitations” of the policy to allow theft coverage when all or part of the residence premises is occasionally rented. There are some restrictions regarding loss of certain categories of items.

Increased Coverage for Credit Card, Fund Transfer card, Forgery and Counterfeit Money Coverage Endorsement
Increases the typical $500 to $1,000 limit for these items to a specified higher limit. Additional coverage includes loss by forgery on alteration of personal checks made or drawn by a policyholder. It also provides coverage for loss sustained through the acceptance in good faith of counterfeit United States or Canadian paper currency.
Not available in North Carolina.

Windstorm Protective Devices Endorsement
Provides a premium credit for the installation of storm shutters or other windstorm protective devices that protect all exterior wall and roof openings, including doors, windows, and skylights.
Only available in Alabama, Connecticut, Georgia, Louisiana, Maryland, and South Carolina.

Credit for Inspected Dwellings
Alaska allows credit equal to 5% of the base premium when the residence has been inspected by a Dwelling Inspection Company authorized by the Alaska Insurance Department and found to have no deficiencies. The credit is good for a period of five years from the date of inspection.
Your homeowner premium is determined by a number of factors including the exterior construction materials, distance to nearest fire hydrant and fire department, and quality of fire protection, as well as the rate structure in your state. There are several discounts available which may reduce your premium. Some credits are available only in specific states. Call 800-225-6792 to discuss your needs with an AFI agent.

**Premises Alarm Systems Endorsement**
Provides a premium credit for properly installed and maintained burglary and/or fire alarm systems, or automatic sprinkler system. In most states, credits range from 2% for burglar and/or fire alarms sounding at the residence, up to 10% for both burglar and fire alarms sounding at a Central Station (percent varies by state).

**Protective Devices**
New Mexico allows a premium credit for the installation and maintenance of an electric alarm system, an approved automatic sprinkler system, and/or wrought iron bars covering all doors and windows of the dwelling. This endorsement applies only to properties located in the state of New Mexico.

**Newer Home Discount**
Automatically calculated in the base premium at issue and renewal for homes less than 10 years old. This credit decreases each year, ending after the tenth year.

**Water Supply Endorsement**
If you don’t have a fire hydrant within 1,000 feet of your home, but have an accessible year-round renewable water source (such as a pond, lake, or river) within 1,000 feet, we may be able to recognize it as an improvement in fire protection.
Not available in all states – certification required. Call for details.

**Excess Personal Liability Insurance – (Umbrella Policy)**
An umbrella policy that pays above and beyond the liability limits of your homeowners, renters and auto policies. The umbrella policy also includes coverage for libel, slander and defamation of character.

**Special Coverage For High Value Items (VIP)**
For jewelry, watches, furs, coin and stamp collections and other high value items that require more coverage than provided by the Homeowner policy provisions. Or, if you have other “treasured” items for which you want broader coverage, our “Comprehensive” supplemental floater policy can be purchased at $9 per $1,000 of coverage ($8 per $1,000 of coverage in CA).
“Comprehensive floater” insurance provides coverage for all physical damage unless the policy specifically excludes coverage and applies to scheduled property regardless of location.
Who is Eligible to Join AFI?

All active duty, former and retired military, including National Guard and Reserves

Active or retired DoD civilian employees

Widows of the above

Children of AFI members

Former AFI members

Call 800.255.6792 for the right answers from a real person.

Visit: www.afi.org for more information or a no-obligation quote.