

The Foremost Classic ACV Homeowners Policy

Is it the right choice for you?



1. What is the Foremost Classic ACV Homeowners Policy?

Foremost Classic ACV is similar* to an ISO HO-3 policy, except for the payment method. It includes Comprehensive coverage for the Dwelling and Other Structures, Named Peril coverage on Personal Property, and an Actual Cash Value payment method.

2. Why would I purchase a policy with a modified payment method?

a. To save money. A homeowners policy with a Replacement Cost settlement requires you to insure your home for what it would cost to replace it with a brand new home. With an ACV policy you insure your home for what a similar age home of like kind and quality would cost. The difference could save you hundreds of dollars a year.



b. Your home doesn't qualify for a Replacement Cost policy, but you still want comprehensive coverage.

3. What's the catch?

There is no catch. We insure your home for the market value, which is less expensive than insuring it for the full replacement cost. Here's an example: You insure your home for its actual cash value of \$100,000, which is usually the price you would receive if you tried to sell it. If it's destroyed, we will pay you the \$100,000 (less applicable deductible). That won't be enough to build a brand new home like the one you lost, but it will be enough to purchase a similar home.

4. What if I have a partial loss?

Partial losses work the same way as total losses. We calculate the cost to replace your damaged property, and apply a depreciation factor to your loss. The depreciation factor depends on the age, condition and use. For example: a hail storm damages your five year old roof that had a useful life of 25 years. We will pay the value of the remaining life of your roof, less the deductible. In this example we would pay 80% of the cost to repair or replace the roof (20/25), minus your deductible.

5. Can I get Replacement Cost for my Personal Property?

Yes, you can purchase Replacement Cost coverage for your Personal Property. With this option, if your insured property is damaged by an insured peril, we will pay to replace it with brand new property of like kind and quality (less applicable deductible and subject to any special limits).

6. Is the Foremost Classic ACV Policy right for me?

If the market of value (what you could sell your home for) is less than 70% of what it would cost to replace the home, this is an option for you to consider. Talk to your insurance agent or broker about your options.

**In addition to the modified payment method, Theft of Personal Property is packaged at \$1,000 and some special limits are lower. For more details, see the Program Guide or the policy jacket.*

Coverage Comparison

Foremost Classic ACV Homeowners Policy and ISO HO-3 policy

Coverage	Foremost Classic ACV 35000 9/99	ISO HO-3 Special Form 10/10
Coverage A – Dwelling	Comprehensive	Comprehensive
Coverage B - Other Structures	Comprehensive	Comprehensive
Coverage C - Personal Property	Named Peril	Named Peril
Coverage D - Additional Living Expenses	10% or more	10% or more
Debris Removal (other than trees)	Additional 5% of damaged property limit	Additional 5% of damaged property limit
Emergency Repairs	Included	Included
Trees, Shrubs and Other Plants (specified perils - \$500 limit per item)	Up to 5% of dwelling limit	Up to 5% of dwelling limit
Fire Department Service Charge	\$500	\$500
Credit Card, Electronic Fund Transfer Card, Check Forgery and Counterfeit Money	\$1,000	\$500
Loss Assessment	\$2,500	\$1,000
Food Spoilage	\$250	N/A
Landlord Furnishings	\$2,500	\$2,500
Grave Markers	No special limit	\$5,000
Loss Settlement Coverage A - Dwelling and Coverage B - Other Structures	Actual Cash Value provision	Replacement Cost provision subject to co-insurance
Loss Settlement Coverage C - Personal Property	Actual Cash Value provision, optional Replacement Cost	Actual cash Value provision, optional Replacement Cost
Liability	\$25,000 or more	\$25,000 or more
Theft of Personal Property	\$1,000 included	Personal Property limit



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