

CUMBERLAND MUTUAL FIRE INSURANCE COMPANY
HOMEOWNERS RATE/RULE MANUAL
Maryland

(1) Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

(2) **HO 2, HO 3** and **HO 5** – Central Station Burglar and Fire Alarms are required for the following risks:

- a. Protection Class 1-7 – Required for all risks with a Coverage **A** limit of \$1,000,000+.
- b. Protection Class 8, 8B and 9 – Required for all risks with a Coverage **A** limit of \$800,000+.
- c. Protection Class 10 – Required for all risks with a Coverage **A** limit of \$500,000+.

B. Water Leak Detection

Approved and properly maintained installations of Water Leak Detection Devices in the dwelling may be recognized for a reduced premium. Select the applicable factor from the table below and apply to the Coverage A and Coverage C Base Premium.

<u>Water Leak Detection Device(s)</u>	<u>Factor</u>
<u>Water Leak Detection Device with Water Shut-Off</u>	<u>0.98</u>
<u>Water Leak Detection Device without Water Shut-Off</u>	<u>0.98</u>
<u>None</u>	<u>1.00</u>

404. INFLATION GUARD – HO 2, HO 3 AND HO 5

A. Coverage Description

The policy may be endorsed to provide annual increases of the Section **I** Limits of Liability as selected by the insured.

B. Premium Computation

(1) The premium is computed by multiplying the Adjusted Base Premium by the appropriate factor selected from the following table:

Amount of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04

(2) If Inflation Guard Endorsement **HO 04 46** is not attached, the Section **I** – Limits of Liability will be adjusted at renewal based on the Insurance Services Offices, Inc. (ISO) 3-digit residential zip code indexes.

C. Endorsement

Use Inflation Guard Endorsement **HO 04 46**.

405. DEDUCTIBLES

All policies are subject to a deductible that applies to loss from all Section **I** Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule **505**.

A. Base Deductible

(1) **HO 2, HO 3** and **HO 5** - \$1,000 Deductible.

(2) **HO 4** and **HO 6** - \$500 Deductible

B. Optional Lower Deductibles (Grandfathered Renewals Only – Not Available for New Business)