

PERSONAL UMBRELLA

Program Descriptions

This program contains the rules and rates governing the writing of Personal Umbrella Liability Policies. This insurance is designed to cover personal (non-business) liability of individuals. The Personal Umbrella Liability is a form of excess third party liability which provides coverage in excess of a schedule of underlying insurance (Primary Insurance) and in excess of a self-insured retention. It is catastrophe insurance by design, not a supplement to inadequate first dollar insurance.

Scope of Coverage

The policy will pay, on behalf of the insured, the ultimate net loss in excess of the retained limit which the insured shall become legally obligated to pay as damages because of Personal Injury or Property Damage. Retained limit is the limit on other policies that the insured is required to carry, or the Self-Insured Retention (Deductible), for those exposures where primary coverage is not required. Ultimate net loss is the amount actually paid in settlement or satisfaction for a loss in which the insured is liable.

Rule I **Binding Authority** – Agents do not have binding authority for Personal Umbrella policies. Please submit **only ACORD applications on a non-binding basis**.

- 1.1 Annual premium must accompany the application.
- 1.2 Automobile declarations must accompany the application.
- 1.3 A five-year loss history must accompany the application.
- 1.4 Details on losses over \$10,000.00 must accompany the application.
- 1.5 Any incomplete application will not be considered.
- 1.6 Current MVR records must accompany the application.
- 1.7 Underlying primary dwelling coverage must be with Mt. Morris Mutual.

Rule II **General Information**

- 2.1 **Policy Term** – All policies are written with a 12-month policy term.
- 2.2 **Premiums**
 - A. The premium will be rounded to the nearest whole dollar. A premium involving 50 cents or more will be rounded to the next higher whole dollar.
 - B. Premium changes or return premium resulting from any change or cancellation will be computed on a pro-rata basis.
- 2.3 **Cancellations** – Policy cancellations can be requested with either an insured's declaration page, signed lost policy release, or a signed request from the insured.
- 2.4 **Changes** – All changes to the policy should be requested on an ACORD form or the Company's change form.

- 2.5 **Assignment** – Policy assignments are not available, please submit a new application.

Rule III

Eligibility – The following rules of eligibility apply to all requests for Personal Umbrella policies:

- 3.1 The named insured must be an individual or husband and wife who reside in the same household.

Rule IV

Risks Requiring Approval

- 4.1 Risks with the following types of watercraft:

- A. Outboard boats that exceed 150 total horsepower.
- B. Inboard and inboard/outboard boats that exceed 260 horsepower.
- C. Boats 15 years of age or older.

- 4.2 **Commercial Exposures** – Risks with business operations, including home day care operations, conducted on the premises. Exposures not eligible for the underlying liability, home, farm, or auto programs due to commercially related activities will not be eligible for a personal umbrella, but may be eligible for a commercial umbrella.

- 4.3 Vehicle operators with more than 1 moving violation or chargeable accident in the past 3 years.

- 4.4 Risks with watercraft that exceed 50 feet in length.

- 4.5 Risks with jet skis, wave runners, or other personal watercraft exceeding 50 horsepower.

- 4.6 Ineligible auto list as follows:

Acura..... Integra, RSX Type S, NSX
Alfa Romeo..... All Models
Aston Martin..... All Models
Audi..... TT, S4, RS6
BMW..... Z3, Z4, Z8, M3, M5, 6 Series, 7 Series
Buick..... Reatta, Grand National, Regal T-Type
Cadillac..... XLR, Allante, CTS-V
Chevrolet..... Camaro Z-28 or IROC, Corvette, Cavalier
Z24, Cobalt SS, SSR
Chrysler..... Crossfire, Conquest, or Laser Turbo
Dodge..... Neon SRT-4, Daytona Turbo, Stealth Turbo,
Shadow Turbo, Shelby Charger, Conquest,
Ram SRT-10 or Viper
Eagle..... Talon Turbo
Ferrari..... All models
Fiat..... All models
Ford..... Probe Turbo or GT, Mustang with 8 cylinder
or SVO, Taurus SHO, Focus SVT, Ford GT
and Ford Lightning

Honda.....	S2000, Prelude, Del Sol, Civic SI, CRX
Hyundai.....	Tiburon
Infiniti.....	G35 coupe
Isuzu.....	Impulse
Jaguar.....	XJS, XJ6, XJ8, or XJ-SC
Jeep.....	CJ-7, CJ-5
Mazda.....	RX-7, RX-8, MX-6, or Miata
Maserati.....	All models
Mercedes.....	SLK, CL, AMG, SLR
Mercury.....	Capri Turbo
Mekur.....	XR4TI
Mini.....	Cooper S
Mitsubishi.....	Lancer Evolution, Eclipse Turbo or GTS 3000 GT, Starion
Nissan (Datsun).....	240, 260, 280, 300, 350, Sentra SE-R, or 200 SX Turbo
Lamborghini.....	All models
Lexus.....	SC
Lotus.....	All models
Plymouth.....	Sundance 2-Dr Turbo, Laser Turbo, Barracuda, or Conquest
Pontiac.....	Trans Am, Firebird Formula, Fiero, or Pontiac GTO
Porche.....	All models
Saab.....	900 Turbo, 9000 Turbo
Subaru.....	WRX, All XT models, RX4 2 Dr Turbo, Brat GL Pickup
Suzuki.....	Samari
Toyota.....	MR-2, Celica Turbo, Celica GTS, Supra, Corolla FX 16 or GTS
Vector.....	Vector
Volkswagen.....	Golf GTI VR6, R32, Corrado or Scirocco
Volvo.....	C70

Rule V

Risks Not Eligible

- 5.1 Politicians.
- 5.2 Labor leaders.
- 5.3 Public lecturers.
- 5.4 Journalists, reporters, editors, or publishers.
- 5.5 Radio announcers or television announcers.
- 5.6 Prominent figures such as actors, actresses, or professional athletes.
- 5.7 Law enforcement officials, detectives, and private investigators.
- 5.8 Persons who represent a moral hazard or have been sued for libel or slander.

- 5.9 Vehicle operators previously convicted of a major moving violation such as driving while intoxicated and/ or reckless driving, driving without a license/with a suspended license.
- 5.10 Operators whose automobile insurance is provided by an assigned risk plan or auto program designated for high risk drivers.
- 5.11 Properties with home day care operations of more than 4 children.
- 5.12 Risks with any type of restriction endorsement or exclusion attached to an underlying insurance policy that would cause the umbrella policy to provide primary coverage.
- 5.13 Risks with vicious or exotic animals or those animals with a prior bite or injury history.
- 5.14 Risks with liability extended to more than 4 rental units.
- 5.15 Properties with swimming pools that are unfenced or include a diving board or a slide.
- 5.16 Bed and Breakfast exposures unless the following conditions have been met:
 - 1. Each risk shall be inspected by the Company.
 - 2. Each room must contain a smoke detector.
 - 3. Liquor Law Liability is to be excluded.
- 5.17 Vacant/ Unoccupied dwellings.
- 5.18 Risks that carry the Roomer/Boarder &/or the Respite Care Program.

Rule VI **Program Rules**

- 6.1 **Minimum Premium** – The minimum annual premium for Personal Umbrella Liability policies is \$150.
- 6.2 **Retained Limit** – The retention by the insured for exposures not covered by underlying insurance is \$250 per occurrence. This retained limit may be increased to \$500, \$1,000, \$5,000 or \$10,000 for a premium credit.
- 6.3 A \$10.00 policy fee applies.

Rule VII **Required Underlying Limits** – Mt. Morris Mutual must write the personal liability. In those instances where companies are not able to write a particular underlying auto exposure, it can be placed with a company having a Best's Rating of "B+" or better. The following liability limits, or greater, need to be in effect at the time of application.

If the coverages referenced below are reduced, cancelled, discontinued, or nonexistent, the insured's minimum retained limit will be equal to the amount of liability coverage that the required underlying coverage would have provided.

The following minimum limits of underlying insurance are required.

7.1 Automobile Liability

- A. If an insured operator is age 25 or less and has a moving violation or chargeable accident in the past 3 years, then the following minimum underlying limits are required:

\$500,000/\$500,000/\$100,000 Split Limits;
\$500,000 Combined Single Limit.

- B. For all other situations, the following minimum underlying limits are required:

\$250,000/\$500,000/\$100,000 Split Limits;
\$300,000/\$300,000/\$100,000 Split Limits; or
\$300,000 Combined Single Limit.

- 7.2 Personal Liability** (Comprehensive Personal Liability or the Liability Section of a Homeowners Policy), Watercraft Liability, and Recreational Motor Vehicle Liability, Business Pursuits including Home Day Care and Bed and Breakfast exposures, "INCIDENTAL" Business Property.

\$300,000 Single Limit

Rule VIII Policy Credits

- 8.1 **Increased Retained Limit** – The retained limit of \$250 per occurrence may be increased for a premium credit.

<u>Retained Limit</u>	<u>Premium Credit</u>
\$500	\$3
\$1,000	\$5
\$5,000	\$7
\$10,000	\$9

Rule IX Increased Limits of Liability – Premiums displayed in this manual reflect a policy limit of \$1,000,000.

The policy limit may be increased to \$2,000,000 or \$3,000,000. Please contact Home Office for a quote on \$4,000,000 or \$5,000,000.

For each additional million (up to \$3,000,000) the premium is 50% of the first million or \$100.00, whichever is greater.

Rule X**Exclusions**

- 10.1 Workers' Compensation, Unemployment Compensation, or Disability Benefits.
- 10.2 Personal Injury – employee suing employee unless underlying affords coverage.
- 10.3 Watercraft over 50 feet away from owned premises.
- 10.4 Property Damage to goods or products manufactured, sold, or handled by the insured.
- 10.5 Products recall.
- 10.6 War.
- 10.7 Commercial, Personal and Farm Umbrella policies must have an Absolute Pollution Exclusion unless prohibited by state statute.
- 10.8 Transmission of disease.
- 10.9 Aircraft or aircraft related operations
- 10.10 Any errors and omissions or professional liability exposures except for barber shops, beauty shops, cemeteries, druggists, opticians, clergy (only if sexual molestation exclusion is written), veterinarians that treat household pets, morticians, and hearing aid stores.
- 10.11 Directors and officers exposures.
- 10.12 Racing of vehicles.
- 10.13 Intentional acts.

Rule XI**Conditions**

- 11.1 First dollar defense is provided for defense coverage in those areas which are uninsured in the primary policies, but which are covered under the broader coverages of the Umbrella Liability.
- 11.2 Maintenance of underlying – each policy described in the declarations shall be maintained in full effect during the currency of the Umbrella Liability.

Rule XII

Renewing an Umbrella Policy – The Company **must** be provided with current auto declarations and a completed renewal questionnaire.