



INDIANA

PERSONAL UMBRELLA

MANUAL

MADISON MUTUAL INSURANCE COMPANY

PERSONAL UMBRELLA UNDERWRITING MANUAL INDEX

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PERSONAL UMBRELLA AUTHORITY GUIDELINES

The agent is authorized to issue a Personal Umbrella application up to limits of one million that meets all of the guidelines of the program. Higher limits must be referred to the Home Office for approval. See page I A-1 regarding ineligible exposures and page I A-2 for eligibility requirements and underlying policies.

PERSONAL UMBRELLA AGENTS' UNDERWRITING GUIDELINES

An application for insurance is submitted at the discretion of the agent, who should use all available information in the field underwriting process. The Home Office uses all information including the application, the history we maintain and other sources of public information.

We view the integrity of the information on the application with major importance. The truthfulness of the details of claims is important to the underwriting decision. It is important to note that the underwriting process is based on all available information.

All policies are written for one year.

Applicants should be of integrity, good morals and reputation. An application is written only in the name of an individual and spouse, and is specifically designed for executives, various professionals and other individuals with the need for substantial liability protection. In the case of the professional person, there must be a record of ethical and competent practices.

Persons not eligible include, but are not limited to, the following occupations which place them in the public limelight or criticism:

- Politicians - State level and higher
- Labor leaders
- Entertainers including professional actors, actresses, athletes, radio broadcasters and telecasters
- Any person presently involved in a lawsuit
- Any person who has been sued for libel or slander
- Persons who present a moral or morale hazard
- Day Care Operators
- Private Investigators

Exposures generally considered undesirable and may be disqualified:

- Any exposure that would not meet our Primary Underwriting Requirements.
- More than 4 Residential Properties (RP).
- Off Premises office or more than an incidental on-premises office.
- Motorcycles - if driven by an insured under the age of 25; and/or if the vehicle is equipped with a engine generating more than 750cc's of displacement; and/or if the operator has less than five (5) years of experience with this type of motorcycle.
- Watercraft:
 1. Inboard or inboard-outboard motor power in excess of 450 horsepower owned by, rented to or chartered by an insured;
 2. Forty (40) feet or more in length if the vessel is owned by, rented to or chartered by an insured;
 3. The following eligibility chart applies for all boats:

HORSE POWER

Vessel Length	0-25	26-50	51-100	101-150	151-275	276-350	351-450
0'-15.99'	Yes	Yes	Yes	No	No	No	No
16'-25.99'	Yes	Yes	Yes	Yes	Yes	No	No
26'-40'	Yes	Yes	Yes	Yes	Yes	Yes	Yes

4. Boats whose maximum speed exceeds 40 miles per hour;
5. Non-standard types (e.g. Homemade, kit, hydrofoil, air propeller, or any unique design or construction);
6. Vessels with full time or part time paid crews;
7. Youthful operators under 19 years of age. Any operator under the age of 25 must hold a Coast Guard approved certificate;
8. Boats operated by persons with little or no boating experience. Operators should have five years of boating experience with the type of vessel being insured;
9. Operators whose driving record would not qualify them for our auto program;
10. Vessels operating more than 50 miles off the coast of the U.S.

Coverage Not Available on the Personal Umbrella:

- Professional and Aircraft liability coverage is not available.
- Uninsured or Underinsured Motorist Coverage are not available on the Personal Umbrella Policy.

To be eligible, the Company must:

- Write all underlying policies that are available.
- Write employers liability coverage on underlying policies when farms are insured.
- A copy of a policy declaration must be provided for any personal insurance not provided by Madison Mutual Insurance Company and it must be written by a company or carrier with an A.M. Best's rating of B+ or better.
- If the applicant has no owned autos, an application may be submitted using the Non-Ownership charge. However, some underlying coverage must exist in the form of a Non-Ownership Automobile Liability Policy or Drive Other Car coverage.
- In the case of co-ownership of property, a copy of the declaration for the co-owner's policy must be submitted.

Special Rates:

- The company may change rates other than those indicated when required by its reinsurers and submitted as an individual risk filing.

POLICY TYPE

The Personal Umbrella policy provides for a \$1,000,000 basic limit of liability for each occurrence. Optional limits are available up to \$5,000,000. The two principal features include:

- Excess coverage over the insured's primary underlying policies.
- Additional coverage for exposures not provided for under the insured's primary policies (This coverage is subject to a retained limit of \$250, \$500 or \$1000).

The basic coverage under this program may include:

- Personal Liability including residences and farms
- Eligible owned and non-owned automobiles
- Watercraft
- Employers Liability
- Recreational Vehicles

RETENTION LIMIT DISCOUNTS

The minimum retention by the insured for occurrences not covered by underlying insurance is \$250. For retained limits greater than \$250, reduce the total premium as follows:

<u>Retained Limit</u>	<u>Premium Credit</u>
\$500	\$3.00
\$1,000	\$5.00

BILLING PAYMENT OPTIONS

Our automobile program offers five payment options to policyholders. These options are the following;

- Full payment of the entire twelve months premium
- Direct bill with two months required down and the first installment due approximately forty-five days after the initial premium. The third installment will then be forty-five days later. Direct bill can be either a two or six month plan.
- A monthly (ACH) with two months due at the inception of the policy

Under our billing programs a policyholder may pay his/her premium every month (ACH) through an electronic fund transfer. This requires an authorization form be completed and returned to the Home Office prior to any withdrawal. The insured may select any day of the month to establish his/her withdrawal. There is a \$10 insufficient fund charge when a payment is not honored by the financial institution. This type of payment does require an immediate down-payment. If no money is collected, an immediate transaction will pull from the customer's account.

Credit cards can be used with our three or six month payment plan. A current email address is required with this form of payment.

In order to finalize any outstanding balances, there is a minimum seven day delay until any refunds are processed.

In the event we receive an overpayment on a policy, the entire amount will be applied to the following installment and will not be divided among the remaining installments.

Endorsements that are made to a policy and results in an amount due will be divided among the remaining installments. If there are no remaining installments and an endorsement has been process which results in a charge of \$25 or less, the amount will be added to the next renewal.

Policyholders must make all payments within thirty days of the due date. If no money is received, the policy will be cancelled effective the date on the notice. A policy can be reinstated within 30 days of the due date. If a policy is cancelled for non-payment and a payment is later received there are two options:

- Reinstated with a lapse in coverage. This is allowed only within 16 days after cancellation and there is no coverage during this time. Payments received after the 16 days will be returned
- If 30 days past the due date, a new application must be submitted as new business and all previous discounts will not apply

COVERAGE LIABILITY MINIMUMS

If Madison Mutual is not the primary carrier, the minimum underlying requirement is \$500,000

<u>Coverage</u>	<u>Required Underlying Limits</u>
• Automobile	\$250,000/500,000 Bodily Injury \$100,000 Property Damage or \$250,000 Combined Single Limit
• Homeowners or Farmowners Personal	\$250,000 Single Limit
• Watercraft - less than 26 feet in length - 26 feet or more in length - personal watercraft including but not limited to wave runners and jet skis	\$250,000 \$500,000 \$500,000
• Recreational Vehicles (must include Guest Passenger Liability)	\$250,000/500,000 Bodily Injury \$100,000 Property Damage or \$250,000 Combined Single Limit
• Motorcycles licensed for roadway use (must include Guest Passenger Liability)	\$250,000/500,000 Bodily Injury \$100,000 Property Damage or \$250,000 Combined Single Limit
• Business Pursuits or Owned Property - Rental Property (Up to 4 family)	\$250,000 Bodily Injury \$50,000 Property Damage or \$250,000 Single Limit
• Employers' Liability	\$500,000 Per Employee \$500,000 Per Accident \$500,000 Per Disease

UMBRELLA RATES

*Minimum Annual Premium is \$150.00

*The Company may modify the premium based on the exposure.

PERSONAL LIABILITY - Residences & Farms

	\$1M	\$2M	\$3M	\$4M	\$5M
A. Initial Residence					
160 acres or less	\$ 50	\$ 80	\$110	\$140	\$170
B. Initial Farm Residence					
160 acres or less	\$ 60	\$ 96	\$132	\$168	\$204
C. Each Additional Residence (Includes Farms)					
	\$ 15	\$ 24	\$ 33	\$ 42	\$ 51
D. Additional Farm Acreage					
0 - 160 acres	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
161 - 500 acres	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68
501 - 1000 acres	\$ 30	\$ 48	\$ 66	\$ 84	\$102
1001 - 1500 acres	\$ 40	\$ 64	\$ 88	\$112	\$136
1501- 2000 acres	\$ 50	\$ 80	\$110	\$140	\$170
Over 2000 acres	\$ 60	\$ 96	\$132	\$168	\$208
*Includes all owned, leased, rented, and operated acres.					
*Do not charge for acreage if wooded or used for a yard.					
E. Vacant Lot < 5 acres					
	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
F. Time Share					
	\$ 15	\$ 24	\$ 33	\$ 42	\$ 51
G. Additional Insured					
Business Type	\$15	\$15	\$15	\$15	\$15
All Other Types	N/C	N/C	N/C	N/C	N/C
H. Pond or Adjoining Lake					
	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
I. Vacant Lots with Structures					
	\$ 15	\$ 24	\$ 33	\$ 42	\$ 51

AUTOMOBILE LIABILITY

	\$1M	\$2M	\$3M	\$4M	\$5M
A. Initial Vehicle	\$ 85	\$136	\$187	\$238	\$289
B. Additional Vehicle	\$ 30	\$ 48	\$ 66	\$ 84	\$102
*Owned, Leased, or Furnished for Regular Use					
C. No Vehicle - Non-Ownership Charge	\$ 50	\$ 80	\$110	\$140	\$170
D. Youthful Driver Surcharge (less than 25)	\$ 50	\$ 80	\$110	\$140	\$170
*Number of youthful operators should not exceed the number of vehicles					
E. Motorcycle	\$ 30	\$ 48	\$ 66	\$ 84	\$102
F. Motor Home	\$ 30	\$ 48	\$ 66	\$ 84	\$102

WATERCRAFT LIABILITY

	\$1M	\$2M	\$3M	\$4M	\$5M
A. Watercraft Length/HP					
Sailing < 26'	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68
Paddle Boats <26'	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68
0-15.99/0-25	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68
0-15.99/26-50	\$ 38	\$ 61	\$ 84	\$106	\$129
0-15.99/51-100	\$ 57	\$ 91	\$125	\$160	\$194
16-25.99/0-25	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68
16-25.99/26-50	\$ 38	\$ 61	\$ 84	\$106	\$129
16-25.99/51-100	\$ 57	\$ 91	\$125	\$160	\$194
16-25.99/101-150	\$ 57	\$ 91	\$125	\$160	\$194
16-25.99/151-275	\$ 99	\$158	\$218	\$277	\$337
26-40/0-25	\$ 31	\$ 50	\$ 68	\$ 87	\$105
26-40/26-50	\$ 38	\$ 61	\$ 84	\$106	\$129
26-40/51-100	\$ 57	\$ 91	\$125	\$160	\$194
26-40/101-150	\$ 70	\$112	\$154	\$196	\$238
26-40/151-275	\$110	\$176	\$242	\$308	\$374
26-40/276-350	\$140	\$224	\$308	\$392	\$476
26-40/351-450	\$170	\$272	\$374	\$476	\$578
B. Watercraft < 26HP					
Wave Runners	\$ 30	\$ 48	\$ 66	\$ 84	\$102
Jet Skis	\$ 30	\$ 48	\$ 66	\$ 84	\$102
Youthful Operator Surcharge(age 16-25)	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68

*Number of youthful operators should not exceed the number of watercrafts

*Where two or more motors are used together in connection with any single watercraft, the combined horsepower will be used for rating purposes.

RECREATIONAL VEHICLES

	\$1M	\$2M	\$3M	\$4M	\$5M
A. Golf Cart	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
B. Snowmobiles	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
C. ATV	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
D. Mini-Bikes	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
E. Trial Bikes	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
F. Other Vehicles Not Licensed for Highway	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
G. Other RV Vehicles	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
H. Youthful Driver Surcharge/RV (age 16-25)	\$ 20	\$ 32	\$ 44	\$ 56	\$ 68

*Number of youthful operators should not exceed the number of recreational vehicles.

BUSINESS PURSUITS, BUSINESS PROPERTY, AND OTHERS

	\$1M	\$2M	\$3M	\$4M	\$5M
A. Business Pursuits					
HO, FO, CPL, or FCPL additional	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
Office Premises	\$ 10	\$ 16	\$ 22	\$ 28	\$ 34
B. Custom Farming	\$ 25	\$ 40	\$ 55	\$ 70	\$ 83

UMBRELLA ENDORSEMENTS

- DL9806 (02/15)** – Personal Umbrella Liability Policy Excess Business Pursuits Coverage Endorsement
- DL9808 (02/15)** – Personal Umbrella Liability Policy Trust Endorsement
- DL9812 (02/15)** – Personal Umbrella Liability Policy Auto Liability Following Form Endorsement
- DL9813 (02/15)** – Personal Umbrella Liability Policy Exclusion – Designated Auto Endorsement
- DL9814 (02/15)** – Personal Umbrella Liability Policy exclusion – Designated Recreational Motor Vehicle Endorsement
- DL9815 (02/15)** – Personal Umbrella Liability Policy Exclusion – Designated Watercraft Exclusion Endorsement
- DL9816 (02/15)** – Personal Umbrella Liability Policy Exclusion – All Hazards in Connection with Designated Premises Endorsement
- DL9817 (02/15)** – Personal Umbrella Liability Policy Exclusion – Fungi, Wet, or Dry Rot, or Bacteria Endorsement
- DL9824 (02/15)** – Personal Umbrella Liability Policy Exclusion – Motorcycle and Moped Endorsement
- DL9825 (02/15)** – Personal Umbrella Liability Policy Exclusion – Watercraft Endorsement
- DL9826 (02/15)** – Personal Umbrella Liability Policy Exclusion – Recreational Motor Vehicle Endorsement
- DL9830 (02/15)** – Personal Umbrella Liability Policy Exclusion – Motor Home Endorsement Personal Umbrella Liability Policy
- DL9902 (02/15)** – Excess Permitted Incidental Occupancies Liability Coverage Endorsement
- DL9949 (02/15)** – Personal Umbrella Liability Policy Amendment of Policy Provisions – Indiana
- MM715 (10/12)** – Named Driver Exclusion
- MM716 (10/12)** – Named Driver Exclusion – Specified Auto
- MM725 (10/12)** – Additional Insured Endorsement
- MM740 (10/12)** – Additional Insured Endorsement – Partnership or Joint Venture
- MM745 (10/12)** – Additional Insured Endorsement – Corporation
- MM750 (10/12)** – Additional Insured Endorsement – Financial Institution
- MM754 (10/12)** – Pollution Exclusion
- MM770 (10/12)** – Named Motorcycle Operator Exclusion Endorsement
- MM771 (10/12)** – Named All-Terrain Vehicle Operator Exclusion Endorsement
- MM772 (10/12)** – Named Watercraft Operator Exclusion Endorsement