

# Personal Umbrella Liability Coverage

These rules require that one underlying primary coverage be written by Farmers Mutual Hail Insurance Company of Iowa, unless the Personal or Farm Liability coverage is written by a Farm Mutual reinsured by Farmers Mutual Hail Insurance Company of Iowa. The remaining coverage must be written at the required underlying limit(s) in a B+ VII or better A.M. Best rated Company.

## Eligibility

- A. A Personal Umbrella must be issued in the name of an individual.
- B. **NO POLICY MAY BE BOUND WITHOUT AUTHORIZATION FROM THE COMPANY**  
  
Coverage will be made effective when approved by the Home Office. Property is to be inspected and a completed application submitted within 24 hours of completion for review of requested binding authority.
- C. A new Personal Umbrella application may be requested every 5 years
- D. An updated renewal questionnaire may be requested annually.
- E. All underlying declaration pages not written through Farmers Mutual Hail Insurance Company of Iowa must be submitted with new applications. Underlying declaration pages may also be requested if there has been a substantial change in risk.

## Minimum Underlying Requirements

Automobile Including Motorcycles	<b>BI/PD</b>	<b>250/500/100 or 300 CSL</b>
If Youthful Driver under age 21 and/or Drivers age 65 or older in household		<b>500/500/250 or 500 CSL</b>
Homeowners		<b>300 CSL</b>
w/ swimming pool on premises		<b>500 CSL</b>
w/ childcare on premises		<b>500 CSL</b>
Watercraft		Equal to Personal Liability
Recreational Vehicles		Equal to Personal Liability
Rental Dwellings (1 to 4 Family Only)		Equal to Personal Liability
Employers' Liability		Equal to Personal Liability
Business Pursuits		Equal to Personal Liability

**NOTE:** If 500/500/250 or 500 CSL underlying automobile support is required by rule above, all other underlying coverage must meet these limits.

**NOTE:** If 3 Million Limit of Liability is requested, all underlying coverage must meet at least 500/500/250 or 500 CSL limit requirements.

**NOTE:** If limits in excess of 2 Million Limit of Liability are requested, all underlying coverage other than Motor Vehicle liability must meet 1,000,000 CSL limit requirements.

If the required underlying limits of liability are either reduced, cancelled, discontinued or non-existent, the Insured's retained limit will be equal to the amount of liability coverage that the primary policy would have provided. The Insured should be made aware of this.

## Self-Insured Retention (SIR)

Personal Umbrella Liability                      **\$ 1,000**

## Ineligible Risks

(Not Inclusive)

The following list indicates some of the risks which are best avoided or evaluated with special care:

- ◆ Professional Malpractice or Errors and Omissions Liability
- ◆ Aircraft
- ◆ Watercraft, if:
  - A. Inboard or inboard/outboard greater than 250 HP and outboard over 150 HP
  - B. And/or 26 feet or more in overall length
  - C. Requiring a crew
- ◆ Assigned Risk Drivers
- ◆ Actor or Actress
- ◆ Bail Bondsperson
- ◆ Public Lecturer
- ◆ News Editor or Reporter
- ◆ Political Party Official/ Public Officeholder
- ◆ Professional Writer
- ◆ Professional Sports Athlete
- ◆ Public/ Media Personality, Publisher, and/or Radio/TV Broadcaster, Executive or Manager
- ◆ Executive Officer/Senior Officer of Fortune 1000 Company
- ◆ Professional Entertainer/ Entertainment Agent
- ◆ Labor Union Official
- ◆ Any Person who has been sued for libel or slander
- ◆ Law Enforcement Official or Officer
- ◆ Driving Record of any covered person that has a major motor vehicle conviction

# Personal Umbrella Liability Coverage

## Ineligible Risks

(Not Inclusive)  
Continued

- ◆ Risk has had a liability loss of \$25,000 or more, or unacceptable 5 year loss history
- ◆ Risks that have more than 20 Personal Automobiles and/or Trucks
- ◆ Personal Umbrella where farming or ranching is conducted
- ◆ Custom Farming receipts exceeding \$150,000 annually
- ◆ Farming operations with more than 10 Employees
- ◆ Custom Feeding operations with more than 6 Employees
- ◆ Child Care/Day Care operations with more than three children at any one time
- ◆ Farms used to supply commodities for manufacturing or processing by the insured for sale to others, e.g.
  - A. Creameries
  - B. Dairies (but not dairy farms)
  - C. Farms operating freezing or dehydrating plants
  - D. Slaughtering and dressing of livestock
  - E. Bunching or packaging of fruits & vegetables
  - F. Packaging of Berries
  - G. Canning or Processing
  - H. Feed Grains
- ◆ Principal business is raising and using horses for racing or show purposes
- ◆ Vacant Farms or Ranches
- ◆ Commercial Feed Lots and Feed Mills
- ◆ Grain Storage Facilities (Other than the insured's grain)
- ◆ Farms with more than 6 Truck Tractor/Trailer units
- ◆ Truck Tractor/Trailer units for hire, driven more than 3,000 miles per year or commercially licensed
- ◆ Farm Vehicles which have a radius of operation greater than 250 miles
- ◆ Dude Ranches or Bed & Breakfast Operations
- ◆ Private Fishing or Hunting Grounds, Animal Exhibition Farms or Zoos
- ◆ Restaurants
- ◆ Produce Stand with gross annual sales of \$30,000 or more
- ◆ Farms that have a landing strip or airport operations
- ◆ Farming Operations over 7,500 acres
- ◆ Construction Material Products (EIFS Stucco, Entran Pipe, FRT Lumber, Chromated Copper Arsenate Treated Wood)

## Umbrella Program Description

A Personal Umbrella Liability policy can be issued in the name of an individual who meets eligibility requirements and maintains the necessary types and limits of underlying insurance, as outlined on Page – 1 of this manual section.

**Note:**  
**NO POLICY OR COVERAGE MAY BE BOUND WITHOUT AUTHORIZATION FROM THE COMPANY.**

Form UM 0001 will be used to provide Personal Umbrella Liability Coverage. It includes coverage for the insured's liability for damages due to bodily injury, property damage, and personal injury that arises out of the insured premises and the personal activities of the insured, subject to the exclusions found in the policy and attached endorsements.

Coverage for liability for personal injury applies only when the underlying insurance has been extended to include such coverage.

Form UM 0001 also covers the insured's liability for bodily injury and property damage caused by a watercraft or a motor vehicle which is covered by underlying insurance, but only to the extent that such bodily injury or property damage is not excluded by the underlying insurance and is not otherwise excluded under the Personal Umbrella Liability policy.

Personal umbrella coverage does not include automobile no-fault, uninsured motorist, underinsured motorist, medical payments or similar coverage.

There is also coverage for the insured's liability for bodily injury and property damage caused by watercraft or a motor vehicle which is covered by underlying insurance, but only to the extent that such bodily injury or property damage is not excluded by the underlying insurance and is not otherwise excluded under the Personal Umbrella Liability policy.

## Policy Limits

The basic Each Occurrence Limit for Personal Umbrella Liability Coverage is \$1,000,000. A higher Each Occurrence Limit of \$5,000,000 is available. Use the rating information shown in the rate pages. Contact the Home Office regarding limits in excess of \$5,000,000.

**NOTE:** There is a limit restriction of \$1,000,000 on High Profile Personal Umbrellas.

## Retained Limit

When Personal Umbrella Liability Coverage applies to an occurrence that is not covered by the terms of underlying insurance, Form UM 0001 applies in excess of a \$1,000 Retained Limit.

# Personal Umbrella Liability Coverage

## Minimum Premium

Personal Umbrella Liability Coverage is subject to the minimum premium shown in the rate pages of this manual.

## Policy Writing Instructions

The Personal Umbrella Liability policy consists of Form UM 0001, other attached mandatory and optional forms and a declaration page, which may include entries that are otherwise called for on endorsement forms.

The Personal Umbrella Liability policy may only be written for a term of one year, unless otherwise approved by the Company.

The amount of any return premium due because of cancellation or reduction in limits or coverage is calculated on a pro-rata basis.

### BUSINESS AND FARM ENDORSEMENTS

The Personal Umbrella Liability policy includes coverage for specific exposures commonly covered without endorsement under a homeowners or personal auto policy. For an additional premium charge, coverage can be expanded as described below:

#### (1) Specified Business Activities (other than farm activities)

Form UM 0130 can be attached to extend coverage to liability arising out of specified business activities covered by endorsement under an underlying policy. Refer to the rate pages for the annual premium charge for each eligible business pursuit.

#### (2) Specified Farm Activities

Form UM 0131 can be attached to extend coverage to liability arising out of specified farming activities covered by endorsement under an underlying policy. Refer to the rate pages for the annual premium charge for farm acres owned or leased by the named insured.

#### (3) Business Activities

Form UM 0136 can be attached to extend coverage to make the umbrella "follow form," to coverage all farm or other business exposures covered by underlying policies, rather than endorse the umbrella policy for specific business or farm operations on a case-by-case basis. Refer to the rate pages for the annual premium charge for each eligible business pursuit and farm activity.

### OPTIONAL ENDORSEMENTS AVAILABLE TO RESTRICT COVERAGE:

#### (1) Designated Premises

Coverage can be excluded for liability arising out of the ownership, occupancy, maintenance, or use of specifically described premises by attaching Form UM 0132 and describing the excluded premises on the form.

#### (2) Specified Business

Coverage can be excluded for liability arising out of specifically described business by attaching Form FMH 0101 and describing the excluded business on the form.

#### (3) Designated Vehicle or Watercraft

Coverage can be excluded for liability arising out of a specifically described vehicle or watercraft by attaching Form UM 0133 and describing the excluded vehicle or watercraft on the form.

#### (4) Designated Driver

Coverage can be excluded for the liability of a specific driver by attaching Form UM 0134 and identifying the excluded driver on the form.

## Premium Determination

Refer to the rate pages shown in the manual to develop the umbrella liability premium as follows:

### A. Basic Premium

This includes the Initial Residence listed under the underlying liability policy. It can be a 1-4 family house, townhouse, row house, or 1-2 family mobile home used mainly for family residential purposes, that is not specifically excluded under the umbrella policy.

- (1) An additional annual premium charge applies to any risk with a swimming pool exposure. **Any pool with a diving board is unacceptable.**
- (2) An additional annual premium charge applies to the Initial Residence with a child care/ daycare exposure of no more than 3 children at any one time.

**NOTE: A minimum underlying limit requirement of at least \$500,000 CSL applies when a swimming pool or child care exposure exists.**

### B. Each Additional Residence

This includes a separate premium charge for each additional or seasonal residence occupied by the Insured.

# Personal Umbrella Liability Coverage

## Premium Determination

Continued

### C. Each Rental Dwelling

This includes a separate premium charge for each additional residence rented or held for rental to others. The annual premium charge reflected in the rate pages applies on the basis of each family unit rented or held for rental to others.

### D. Each Additional Insured

This can include a separate premium charge for each additional insured reflected in the underlying liability policies as covered individuals, subject to meeting eligibility requirements of this program as reflected in this manual.

### E. Each Eligible Business Pursuit or Specified Farm Activity

This includes a separate premium charge for each incidental office, professional, private school or studio occupancy, and/or each incidental business pursuit where underlying coverage is provided. Each such business pursuit or activity is subject to eligibility requirements of this program as reflected in this manual.

Business Pursuits are excluded by the base policy. Coverage can be endorsed for Incidental Business Pursuits with gross annual receipts before expenses of \$30,000. Eligibility for any Business that exceeds this amount is subject to Special Review and Rating if eligible.

### F. Motor Vehicles –Owned, Leased or Regularly Used

This includes each private passenger automobile, pickup, farm truck, farm semi-tractor/trailer unit, motor home, licensed or un-licensed recreational vehicle or non-owned vehicle regularly used. The Gross Vehicle Weight Rating is required on all Pickups and Trucks.

An additional annual premium charge applies for each driver under age 21 &/or each driver over age 64 with regular access to these vehicles.

### G. Watercraft

This includes each inboard, inboard/outboard or outboard powered watercraft, sailing vessel, or personal watercraft. The applicable annual premium charge is based on the horse power or length of the watercraft, as outlined, subject to eligibility requirements of this program as reflected in this manual. Coverage is contingent on any newly acquired watercraft being reported to the Company within 30 days following the date of acquisition.

## Personal Umbrella Rates

Premium Computation - \$1,000,000 Limit

	<u>Annual Premium</u>
A. <b>BASIC PREMIUM</b> – Initial Residence	\$ 50
Add with swimming pool exposure	\$ 25
Add with childcare exposure	\$ 50
B. <b>Each Additional Residence</b>	\$ 5
C. <b>Each Rental Dwelling</b> 1 to 4 Family	\$ 15
D. <b>Each Additional Insured</b>	\$ 10
E. <b>Each Eligible Business Pursuit or Specified Farm Activity</b>	
Each Eligible Business Pursuit	\$ 15
Each Specified Farm Activity:	
1 – 200 Acres	\$ 5
F. <b>Motor Vehicles</b> – owned, leased or regularly used	

<u>Underlying Limits</u>	<u>250/500</u> <u>300/300</u>	<u>500/500</u> <u>1 M/1 M</u>
1. first vehicle	\$ 70	\$ 40
2. each additional vehicle	\$ 45	\$ 25
3. each motor home	\$ 80	\$ 50
4. each licensed R.V.	\$ 40	\$ 25
5. each unlicensed R.V.	\$ 25	\$ 20
6. each driver under age 21	\$ N/A	\$ 25
7. each non-owned vehicle	\$ 20	\$ 15
8. <b>UM/UIM – (Indiana only)</b>		
each vehicle	\$ 30	\$ 25
9. each driver age 65 or older	\$ N/A	\$ 25

**NOTE:** For \$300 CSL use 250/500 Rates  
For \$500 CSL use 500/500 Rates

### G. Watercraft:

1. Each Inboard or Inboard/Outboard 50 HP or less, Outboard 25 HP or less, and Sailing Vessel 25 feet or less	\$ 25
2. Each Inboard or Inboard/Outboard 51-100 HP and Outboard 26-50 HP	\$ 30
3. Each Inboard or Inboard/Outboard 101-250 HP and Outboard 51-150 HP	\$ 35
4. Each Personal Watercraft	\$ 35

H. <b>MINIMUM POLICY PREMIUMS</b>	<b>\$1,000,000</b>	
	<u>250/500</u>	<u>500/500 and higher</u>
Territory B	\$ 150	\$ 125
Territory A	\$ 225	\$ 200

# Personal Umbrella Liability Coverage

**I. Increase Factor Limit for \$2,000,000 to \$5,000,000 Limit of Liability**

Multiply the total \$1,000,000 premium by the Increase Limit Factor of .60. The resulting additional charge for the 2<sup>nd</sup> Million must be at least \$125.00. The premium for the \$3,000,000 layer will be .60 multiplied by the premium for the 2<sup>nd</sup> Million, subject to the Minimum Premium per layer of \$125.00. The Factor for \$4,000,000 and \$5,000,000 will be .75 multiplied by the premium for the previous layer, subject to the Minimum Premium per layer of \$125.00.

Rating for limits greater than \$3,000,000 may be subject to individual rating and be submitted to the Reinsurer for approval and a premium quote.

**J. Rating Territories**

**Territory A:**

Illinois – Cook, Du Page, Kane, and Lake Counties  
Missouri – St Louis and Jackson Counties

**Territory B:**

All other Counties in AR, IA, IL, KS, KY, IN, MN, MO, NE, SD & WI.

**K. Territory A:**

Refer to the appropriate Territory A minimum premium.

**L. Whole Dollar Premium Rule**

All premiums shown on the policy and endorsements of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

**M. Waiver of Premiums**

Additional or return premiums of less than \$7.00 that result from a mid-term policy change may be waived. However, a return premium of less than \$7.00 must be paid if requested by the insured.

**N. Filed Rules and Rates**

The filed rules and rates shall apply at the time of premium calculation of any mid-term addition or increase in coverage. Premium charges for coverage or exposure unrelated to the mid-term addition or increase in coverage shall continue as previously issued.

**O. Risks with Unusual or Unanticipated Exposures**

Will be subject to individual rating and must be submitted to the Reinsurer for approval and a premium quote.

**P. Policy Changes**

All policy changes must be requested in writing. Additional or return premium will be computed on a pro-rata basis.

**Q. Cancellation**

If the policy is cancelled for any reason, the return premium will be computed on a pro-rata basis. Back Dated Flat Cancellation is not permitted.