

We have a mutual interest - **you**.

Bulletin 26-4

**TO:** All Mutual of Wausau Agents

**FROM:** Michael Moore, SR Vice President-Underwriting

**DATE:** March 20, 2026

**RE:** Water Backup Coverage Guidelines & Important Industry Update

With the recent heavy snowfall and hope of spring weather approaching, please keep the following guidelines in mind when discussing **Water Backup and Sump Discharge or Overflow Coverage** with policyholders:

1. **Eligibility:** Limited coverage for damage caused by water backup or overflow is available for **owner-occupied properties only**.
2. **Flood hazard areas:** Risks located in a flood hazard area are not eligible for this coverage.
3. Risks with a **prior water backup claim** or **stone foundations** may not be eligible.
4. **Binding at inception or renewal:** Limits up to **\$10,000** may be bound at the **policy inception or renewal date** without additional approval.
5. **Higher limits:** Limits **greater than \$10,000** require **underwriter approval** and a **power failure backup system**.
6. **Mid-term additions:** Water Backup Coverage **cannot be bound mid-term without prior approval** and is subject to a **minimum 30-day waiting period**.
7. **Renewal discussions:** Please discuss coverage options with policyholders **prior to renewal** so any changes requested can be reviewed and processed in a timely manner.

#### **Industry Update:**

Through the efforts of NAMIC, Fannie Mae and Freddie Mac have **removed the requirements for full replacement cost on roofing materials** for properties with federally backed mortgages, effective immediately.

If you have any questions regarding eligibility, binding requirements, or this update, please contact your assigned underwriter.