

Mutual of Wausau Insurance Corporation

General Rules

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General Rules

BINDING AUTHORITY

Agents licensed with Mutual of Wausau Insurance Corporation are authorized to bind coverage for acceptable business subject to the underwriting standards and rules contained in the agent manual.

The binding authority limit for agents is \$750,000 in property coverage at any premises.

THE FOLLOWING CANNOT BE BOUND WITHOUT PRIOR APPROVAL:

- ♦ Any property that has not been insured within the last 30 days
- ♦ Any property that was insured on a temporary binder within the last 30 days
- ♦ Risks that were cancelled, non-renewed or were notified that they would be cancelled or non-renewed for any reason within the last 3 years, or you know they are scheduled to be non-renewed
- ♦ Applicants that have had 2 or more claims within the last 3 years, or 3 or more claims in the last 5 years at any location, or where a current claim exists and has not yet been settled or is pending
- ♦ Applicants that had a fire or theft claim in the last 5 years at any location
- ♦ Risks that had a water damage and/or mold claim, have evidence of mold, or have been informed of a mold problem
- ♦ Any property with un-repaired wind, hail, fire, water, or other damage whether or not a claim was ever filed
- ♦ Residential or commercial buildings that are unoccupied or vacant
- ♦ Buildings currently for sale or it is known they will be for sale
- ♦ Applicants that own or have in their care a Rottweiler, Doberman, Pit Bull, Staffordshire Terrier, Chow-Chow, German Shepherd, Huskie, Alaskan Malamute, Great Dane, St. Bernard, Akita, American Bulldog, Colorado Bulldog, any vicious dog, exotic animal, or a dog or animal which previously caused injury or property damage, or risks with more than 2 dogs of any kind;
- ♦ Risks that were rejected by Mutual of Wausau or another carrier within the last 3 years
- ♦ Risks that show obvious lack of maintenance or housekeeping
- ♦ Risks that have known water or land contamination
- ♦ Applicants that are currently seeking or have experienced in the last five years: bankruptcy protection, default of property taxes, or had a foreclosure initiated
- ♦ Structures, including dwellings that are self or volunteer built
- ♦ Commercial buildings that have discontinued their operations
- ♦ Property located outside of our designated writing territory
- ♦ REFER TO THE RULES SECTION OF EACH PROGRAM FOR ADDITIONAL RESTRICTIONS ON BINDING.

General Rules

UNDERWRITING – IN THE FIELD

The agent is required to field underwrite each risk. Areas to check include:

- ◆ The general appearance of the premises
- ◆ The general condition of all buildings
- ◆ The overall maintenance of the premises
- ◆ The yard appearance including tall grass, weeds and untrimmed shrubs
- ◆ The age and condition of the shingles on all buildings – Note on the application areas where shingles are missing, and coverage should be amended
- ◆ The general condition of the exterior paint, doors, windows, porches, steps and handrails
- ◆ Lightning rods are to be grounded on opposite corners and the cable fastened securely into the ground
- ◆ The condition of fences if writing a property with livestock or horses
- ◆ The general interior housekeeping and condition of household contents
- ◆ Existence of proper number of smoke alarms and carbon monoxide detectors
- ◆ The electrical service, fuse/breaker box and general condition of electrical wiring (If there are extension cords in use with multiple plug-ins, this is an indication that the wiring is not adequate for the dwelling)
- ◆ The condition and clearances for all solid fuel units including the stovepipes, chimneys and liners, and wall/ceiling passthroughs
- ◆ Above ground fuel storage tanks should be 40 feet from any buildings
- ◆ Flammable liquids should not be stored in the barn or any main buildings
- ◆ Oil soaked and dirty rags should be in a metal container
- ◆ Burn barrels should be at least 100 feet from any buildings
- ◆ Outdoor solid fuel furnaces must be 25 feet from any building

POLICY TYPES

The following policy types are available:

Homeowner:

Preferred Homeowner
Standard Special Homeowner
Standard Broad Homeowner
Basic Homeowner
Tenant Homeowner

Farm:

Preferred Farmowner Pac
Preferred Farmowner
Farmowner

Mobile Home:

Preferred Mobile Homeowner
Standard Mobile Homeowner
Broad Mobile Home
Basic Mobile Home

Inland Marine:

Inland Marine Endorsement

Dwelling:

Dwelling Special
Dwelling Broad
Dwelling Basic
Unoccupied Dwelling

Commercial:

Commercial Property
Commercial Property and Liability
Artisan Program

Umbrella

Personal Umbrella
Farm Umbrella

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TERRITORY

The Company currently writes insurance on risks located in a designated territory, established by the company. Refer to the territory map for the counties we currently write in. Agents may not bind risks located in any other county without approval from the company.

APPLICATIONS

We accept Mutual of Wausau Applications. Whenever coverage is bound, an application must be sent or electronically submitted to the company within 3 days of the effective date of coverage. The Company then has the right to reject any application or portion thereof, with the cancellation to become effective upon the proper notice from the Company. **On new business, an agent has no authority to bind a risk before the application has been signed by the applicant. "Back Dating" of an application is prohibited.**

The agent must accurately provide all information on the application including the general information regarding the previous carrier, losses or claims, cancellations or declinations, and restrictive endorsements. The agent must ask the applicant every question or have the applicant complete the questionnaire. Mutual of Wausau relies on the accuracy of these answers; if the policy is issued, it is based on its reliance that the answers given are correct. If Mutual of Wausau relies on incorrect information and a claim occurs, inaccuracies may allow us to cancel the policy as of its inception date based on material misrepresentation. In these cases, a claim would not be paid. Thus, it is imperative that all information on the application is accurate.

Mutual of Wausau requires that all new business and rewrite applications to be signed by the insured and also by the agent soliciting the business who is appointed by the state of WI to do business with Mutual of Wausau. All applications and underwriting questionnaires must be complete, or they will be returned to the agent.

Reissue applications are addressed under Cancellations.

PHOTOS

We require photographs on all new business risks submitted to the Company. We require a photo for each structure unless two or more structures can be in one photo from reasonably close range. We will not accept photos from more than 50 yards away. When an application is submitted without a photo, it will not be processed until photos are received. If we do not receive a photo within the time requested by the Home Office, we will return the application to the agent as unacceptable and then cancel the policy.

POLICY ISSUANCE

All policies are issued at the Home Office and are mailed according to the preferences setup by the agency. All policies issued take effect at 12:01 a.m. on the inception date.

POLICY FEE

All policies are issued with a \$25.00 policy fee.

General Rules

PREMIUMS AND BILLING PROCEDURES

All policies written by Mutual of Wausau are on a direct billing basis (this includes initial premiums on new policies).

The modes of payment available are annual, semi-annual, quarterly, or monthly (ACH only or dairy plant assignment). ACH is available for all payment modes subject to the limitations listed below. Dairy plant assignment is available only on a monthly basis. For semi-annual and quarterly payment modes a \$3.00 charge is made on each billing.

We will mail an invoice to the Insured approximately thirty days before their premium is due. If the premium is not received by the due date, a \$5.00 Late Fee will be added to the bill. The insured, agent and all mortgage holders will be sent a Notice of Cancellation/Non-Payment of Premium Notice stating that the payment is due 15 days from the due date and if payment is not received, the policy will be cancelled. A Confirmation of Cancellation is then sent to the insured, the agent and all required parties.

For all Returned payments, Non-Sufficient Funds (NSF), etc. a \$25.00 Returned Payment Fee is imposed.

ACH PREMIUM AND BILLING PROCEDURES

- ♦ The minimum withdrawal will equal at least \$25.00
- ♦ Monthly, quarterly, semi-annual and annual payment modes
- ♦ \$1.00 per installment fee for all payment modes
- ♦ One-month premium is required at the time of application

If an ACH withdrawal attempt fails due to non-sufficient funds, we will send out a 10-day notice of cancellation to the insured, agent and all required parties. A \$25.00 service charge along with the premium due will be required as payment to prevent the policy from canceling. Only guaranteed type funds (cash, certified bank check, money order, etc.) will be accepted. Payment must be received in our office by the due date. At any time in the future, if the insured has a second ACH withdrawal attempt returned due to non-sufficient funds, we will send out a 10-day cancellation and will not accept payment as a means to prevent cancellation.

REQUEST FOR POLICY CHANGE – ENDORSEMENT

Whenever coverage is bound, an endorsement request must be sent to the company by a licensed Mutual of Wausau agent within 3 days of the effective date of coverage. The agency stationary, e-mail or Acord forms are acceptable. Any request for a policy change should include your agency name, the Insured's name, the policy ID, the effective date of the change and clear instructions on what you wish to change.

RENEWALS

All Mutual of Wausau policies are issued as continuous renewals.

ASSIGNMENT OF POLICY

We will not accept assignment of a policy.

COMMISSIONS

Commissions will be paid on all premiums received at the Home Office for the entire month. The Company will generally provide commission statements and checks to the agent by the 5th day of the following month. Commissions are paid based on the schedule contained in the agency contract. Qualifying agents are also eligible for contingent commission bonuses.

General Rules

AGENT – CHANGE OF RECORD

If policyholders wish to change their agent with the Company, they may do so at the renewal date of the policy and continue the current coverage. The Insured must notify us in writing or sign an Agent of Record (AOR) form. If they desire to change mid-term the current policy must be cancelled, and a new application submitted. New applications are subject to normal underwriting standards.

CANCELLATIONS

Customer Request

When requesting a cancellation of a policy the Insured can submit a signed notice or the agent can submit notification (including an AOR form) giving the effective date of cancellation and signed by the Insured. The company will not allow "back dating" of cancellations. If no current date is specified, we will use the date received in the Home office. The request should state the reason for cancellation.

Non-Payment of Premium or Returned Payment

If premium is not received by the due date the customer will receive a Notice of Cancellation/Non-Payment of Premium, giving them 15 days to make payment. If payment is not received by that date, the policy is cancelled as of the original due date.

Returned Payment

If a check is returned to us a cancellation notice is sent to the insured as of the effective date. If a check is returned to us within 15 days of the due date, a letter is sent to the insured indicating cancellation as of the effective date unless payment, plus a \$25 Non-Sufficient Fund (NSF) fee is paid before the 15 day grace period date.

Re-issuance

If a policy is cancelled due to non-payment of premium and the customer wishes to continue the policy, the agent cannot bind coverage and must contact the company for approval. Underwriting may give the following consideration:

- ◆ Within 30 days of non-pay cancellation, if approved, the policy will be reissued with a new policy number and effective date. A Reissue Application, which is a shorter application form must be completed and submitted with the premium, a \$20.00 reissue fee, and any NSF fees.
- ◆ After 30 days cancellation, with approval, a standard application must be submitted. Any outstanding premium or NSF fees must also be included.
- ◆ Acceptable forms of payment and payment plans may be limited.