PERSONAL LINES – INTRODUCTION
Introduction

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Welcome

Mountain West Farm Bureau Mutual Insurance Company has a long and proud history, stretching back to 1948. The company was founded by Farm Bureau members with the primary goal of providing financial security to each policyholder through a responsive, fair, and reasonably priced insurance product.

Mountain West prides itself on the delivery of its personal and commercial insurance lines through an independent and exclusive agency force. Attracting total account clients is a key element of our marketing strategy. This goal is accomplished through an agency force committed to a balance between our Farm Bureau Life portfolio and the Mountain West Farm Bureau product line.

Our mission statement as a company is to provide financial peace of mind to our customers with competitive, quality products and services. Years of consistent management – steadfast in their mission and aggressive in obtaining results – has created a solid foundation from which the agency force can be confident in the company standing behind the promises it makes through the policies that it markets. Our beginning and current success is the result of the synergism created by the ties to the Farm Bureau Federation. This affiliation sets us apart and will always make us unique when compared to our competition.

With a proud and colorful history and the momentum of over 60 years of service, we continue to grow and become the company of choice in our market area. It is the collaboration and efforts of our management team, home office personnel, field agents, and support staff that guarantees our future remains focused and bright.

BEST OF SALES!

Sincerely,
Erick Arens, CLU, ChFC
Vice President, Sales & Marketing
Marketing Guidelines

Introduction

Mountain West Farm Bureau Mutual Insurance Company is a multi-line, preferred insurance carrier providing coverage for Homeowner, Agricultural and Personal Property, Personal Liability, Automobile, Inland Marine, and Umbrella exposures. We also insure commercial property and liability exposures, as well as offering a multi-line brokerage department for those risks that do not qualify for our underwriting rules.

We have developed a highly competitive product, packaging several types of policies together:

- City Squire is a package policy that combines the Homeowner, Personal Property, and Automobile coverages into a single policy.
- Country Home is a policy that combines the unique aspects of country living with optional coverages such as Auto and Inland Marine.
- Country Squire Policies provide convenient, one-stop insurance coverage for ease of recordkeeping and billing for your farm and ranch clients.

Agent’s Responsibility

Each agent holds an important and responsible position in the company. The extent to which Mountain West is able to provide service at the lowest possible cost depends largely on how each agent accepts their responsibility.

The rules and regulations, coverages, and options are set forth in this manual. This guide helps you to perform your chief functions of sales, retention, servicing accounts, and field underwriting. The rules and regulations must be strictly enforced by both the company and the agent in order to meet our mutual goal of producing a growing book of profitable business with competitive rates.

It is the agent’s responsibility to keep in touch with their clients and look out for their welfare by being attentive to the client’s changing needs and being knowledgeable about products that will meet these needs.

As a field underwriter, you will normally be the only person to have the opportunity to talk directly with the client and actually see the property being insured. You should select only those risks that are preferred and meet the underwriting rules of the company.
Field underwriting requires more than an awareness of the company’s underwriting rules. You should also know the reasons for these rules so they can be explained to the prospective client or policyholder.
Preferred Agents Program

PREFERRED AGENT PROGRAM

To qualify for the Preferred Agent Program, an agent must meet the following requirements for the calendar year:

• 5-Year Loss Ratio ≤ 59% OR
  5-Year Loss Ratio (excluding Cat events) ≤ 55% OR
  Best 4 of 5 Loss Ratio ≤ 50%

• P&C Production ≥ $110,000 or 5% growth

• Years of Service ≥ 5

• Life Production ≥ $34,000

• Life Persistency ≥ 91%

• NAIFA Member

PREFERRED AGENT BENEFITS

Preferred Agents receive a variety of special allowances from Underwriting when writing business. In addition, they receive contest and educational benefits from Sales & Marketing.
The Manual

Disclaimer: The agent’s manual is for generalized statements of coverage and is not intended to replace the policy language. For specific policy language, refer to the contract. Your claims and underwriting department staff are also valuable resources for specific coverage issues.

This manual contains the underwriting rules and coverages that pertain to the personal lines policies offered by Mountain West and is divided into five separate sections designed to provide easy access to information for the rookie agent, agent in training, and the most seasoned agents. We strongly suggest you refer to this manual often as it will enable you to provide the best coverages to meet the needs of your clients.

This manual discusses many of the most often asked questions and areas of misunderstanding concerning policies, coverages, and rules. When questions still arise about the rules and coverages, please contact the Underwriting Resource and Information Center for a more detailed explanation. Any unusual cases or coverages that are not addressed in the manual should be submitted to your underwriter for a decision.

Changes made to the rules and coverages addressed in this manual will be made known to agents. The manual sections will be updated on a regular basis, but not immediately after rules have changed. Please save information regarding rule changes until the new manual update pertaining to the change has been released. This will avoid any misrepresentation to our policyholders or your prospective clients.


Advertising

Mountain West Farm Bureau is pleased to offer the agency force a cost-share advertising program.

Here's how it works:

We reimburse the agent for one-half of all media advertising expenses, up to a total of $750 per year. To take advantage of the program, submit your paid receipts monthly (or at least quarterly) to the Marketing Department for 50% reimbursement, which will be paid through your commissions. At the end of the year, your receipts must be received by January 20. Receipts received after the deadline will be paid out of the next year’s cost sharing allowance.

What Qualifies for Reimbursement?

Media advertising such as newspaper, radio, television, yellow pages, and yearbook ads all qualify. In addition, 4-H livestock sales purchases qualify – for these, we will reimburse the agent for half of the difference between the fair market value and the retail price of the animal.

If you are uncertain if something qualifies for reimbursement, contact the Marketing Department. Purchases made through Mountain West’s company store do not qualify under the cost-share program.

App-A-Week

Mountain West Farm Bureau encourages agents to maintain consistent production throughout their career. As part of this, Mountain West is proud to endorse the App-A-Week program. In order to participate in the program, an agent submits app information through the Portal.

Credit for life applications will be given based on the rules provided each year by Farm Bureau Financial Services. New annuity applications will receive life application credit provided that deposits of at least $2,000 are received. Each application may be reported and credited only once.

The Mountain West/360 App-A-Week program is tracked on the weekly production report, which shows how many applications each agent has banked and how many continuous weeks they have participated in App-A-Week. App information must be submitted on the Portal by Tuesday to be included in that week’s report.
An agent will remain on App-A-Week as long as the bank balance is 0 or higher. An agent who has zero applications banked and does not submit any new applications will be removed from the program. The maximum number of applications that may be banked is 4.

If at any time an agent falls off the program, they can immediately begin again, just by submitting new app information on the Portal.

There are incentives for an agent to stay on the program. Agents who stay on App-A-Week for 52 continuous weeks and who have at least 45* issued applications over the last 12 months will receive $250, Automatic level one qualification in the Federation Convention and Annual Agents’ Meeting contests, a recognition photo on the App-A-Week page in Scoreboard, and a share of that year’s App-A-Week bonus pool, which will be distributed at the Annual Agents’ Meeting.

*New agents only need 39 issued apps in their first 12 months and 40 issued apps in their second 12 months.

Agents in their first year are also eligible for the following awards if they remain on App-A-Week for the specified number of continuous weeks:

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>$50</td>
</tr>
<tr>
<td>24</td>
<td>$100</td>
</tr>
<tr>
<td>36</td>
<td>$150</td>
</tr>
</tbody>
</table>

Rookie agents will also receive a $250 bonus if they stay on App-A-Week continuously for 52 weeks from their contract date.

Agents can direct questions about the program to the Marketing Department.
General Guidelines

Policy Section and Coverage Key

Our policies are broken into five sections of coverage. Please refer to the individual sections for more details on these coverages.

Section I – Property Coverage
Includes coverage for client’s real and personal property:
- Coverage A – Dwelling the insured resides in
- Coverage B – Loss of Use
- Coverage C – Personal Property (Contents)
- Coverage D – Farm Personal Property (CQ policies only)
- Coverage E – Other Structures, Other Dwellings, or Farm Buildings

Section II – Liability
Includes coverage for the client’s personal liability:
- Coverage F – Liability
- Coverage G – Premises Medical
- Coverage M – Damage to Property of Others
Includes coverage for the client’s farm liability:
- Coverage H – Employer’s Liability (Wyoming only)
- Coverage I – Medical Payments for Farm Employees (Wyoming only)
- Coverage J – Medical Payments Named Insured
- Coverage L – Custom Farming

Section III – Personal Automobile Coverage
Includes coverage for the client’s personal automobile and liability:
- Coverage N – Liability
- Coverage O – Underinsured Motor Vehicle
- Coverage P – Uninsured Motorist
- Coverage Q – Medical Payments
- Coverage S – Comprehensive
- Coverage T – Collision or Rollover

Section IV – Inland Marine
- Provides coverage for some items of personal property that may be either excluded or limited by Section I policy language.
- We must insure an individual’s property and liability in order to insure items on the Inland Marine Section.

Section V – Umbrella
- Provides additional limits of liability for personal and farm liability exposures.
### Types of Policies Offered

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Required</td>
<td>Not Available</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Liability</td>
<td>Required</td>
<td>Not Available</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Auto</td>
<td>Not Available</td>
<td>Required</td>
<td>Required</td>
<td>Optional</td>
</tr>
<tr>
<td>Inland Marine</td>
<td>Optional</td>
<td>Not Available</td>
<td>Optional</td>
<td>Optional</td>
</tr>
<tr>
<td>Umbrella</td>
<td>Optional</td>
<td>Not Available</td>
<td>Optional</td>
<td>Optional</td>
</tr>
</tbody>
</table>

### Binding Authority

Our agents have the authority to bind the company on acceptable business up to the listed limits. Additional coverages may often be required by your client but require prior Home Office approval.

Additionally: "Our agents do not have the authority to bind or increase coverage in case of impending disaster, including, but not limited to, forest fires, earthquakes, wind storms and hail storms. This restriction of binding authority applied for a minimum of 30 days following each initial occurrence and subsequent occurrences."

The binding authority restriction applies for a minimum of 30 days following each initial occurrence. It is our understanding this follows the general practice of other companies in the industry.

Please note: we are not restricting the binding of all property, only those coverages pertaining to the occurrence taking place (example: insured cannot add or increase the amount of coverage on structures, hay, etc. in the event a forest fire is in the vicinity). There is no specific distance in relation to the “vicinity”. If the impending disaster is anywhere close, headed in the direction of the risk or could take a direction change toward the risk and the terrain is as such the fire could reach the structure in question, the client cannot increase or add coverage.
## Binding Authority Levels

PL = Personal Lines, CL = Commercial Lines

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>MWFBI Agent</th>
<th>MWFBI Preferred Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL Coverage A Dwelling</td>
<td>$800,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>CL BOP Structure</td>
<td>$800,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>PL Coverage E Dwelling</td>
<td>$400,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>PL Coverage E Structure</td>
<td>$200,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>PL Tenants Coverage</td>
<td>$200,000</td>
<td>$300,000</td>
</tr>
<tr>
<td><strong>Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL Underlying Limits</td>
<td>$500,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>CL Underlying Limits</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Auto</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL Vehicle Value</td>
<td>$65,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>PL Motorcycle Value</td>
<td>$35,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>PL Motorhome</td>
<td>$100,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>PL Liability Limits</td>
<td>$250,000/$500,000</td>
<td>$250,000/$500,000</td>
</tr>
<tr>
<td><strong>Inland Marine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL Sched. Pers. Prop (Jewelry, golf equip, fine art, etc. – single item)</td>
<td>$20,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>PL Stamp/coin collection, antiques, furs, etc. – single item)</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>PL Recreational Vehicles / Snowmobiles</td>
<td>$30,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>PL Boats &amp; Equipment</td>
<td>$100,000</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>Umbrella</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL Umbrella Limit</td>
<td>$1,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>CL Umbrella Limit</td>
<td>Have to be quoted internally</td>
<td></td>
</tr>
<tr>
<td><strong>Individual Risk Premium Modification (IRPM)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL Country Squire</td>
<td>Max 10%</td>
<td>Max 15%</td>
</tr>
<tr>
<td>CL BOP</td>
<td>Max 5%</td>
<td>Max 10%</td>
</tr>
</tbody>
</table>

*Increase limit by $10,000 for side by side ATV’s*
Other Benefits

- Other supporting evidence in lieu of RCE’s are accepted on property.
  
  Note: High valued dwellings may require an inspection.
- Photos not required for builder’s risk.
- New and renewal business given higher priority for month-end issuance
- Underwriting phone calls are given priority
- Advance notice and input on product and pricing updates
- Wall of Fame
- Automatic first-level room qualification for Federation Convention & Annual Agents’ Meeting
- Staff Tuition - up to a total of $125 per agent (for use in 2018)
- Tuition reimbursement on Life Sales Seminar (not to exceed $225 and for use in 2018)

Protection Classes

Protection classes can be found on the Portal, under Forms and Manuals. These are updated on a regular basis.

The following modifications apply to the guidelines regarding applying fire protection classes to dwellings on personal lines policies. This would include 4H, CP, and CQ, policies.

**PLEASE NOTE: The Protection Class will either be the first class or the second class listed**

Example:
Where two classes are shown for an area, the applicable class will be determined as follows:

<table>
<thead>
<tr>
<th>Distance from Responding Fire Dept</th>
<th>Hydrants &lt; 1000 ft</th>
<th>Hydrants &gt; 1000 ft</th>
<th>No Hydrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 miles</td>
<td>First Class</td>
<td>First Class</td>
<td>First Class</td>
</tr>
<tr>
<td>5-10 miles</td>
<td>First Class</td>
<td>Second Class</td>
<td>Second Class</td>
</tr>
<tr>
<td>10+ miles</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Revised 04/2020

IN-14

BACK TO TOP OF SECTION
When a Split/Multiple Class listing contains a 9 or 8B, the 9 has changed to “X” and the 8B has been changed to “Y”

Examples:
Split/Multiple class 6/9 will now be a split 6/6X; with the “6X” denoting what was formerly classified as “9.”

Split/Multiple class 6/8B will now be a split 6/6Y, the “6Y” denoting what was formerly classified as “8B.”

- Same Multiple class rules apply (see chart on page IN16)
- No changes when a community grade is a single “9” or “8B” classification

Protected Suburban Plan

The following criteria will be used in determining the protection class of risks (Protection Class 9 or 10) located outside the incorporated limits of a city.

For risks protected by public fire departments:

- Risks within ten (10) road miles travel distance of the limits of a protection class 1 – 8 city providing fire protection and within 1,000 feet of a public fire hydrant will receive the classification of the municipality furnishing the fire protection.

- Risks within ten (10) road miles travel distance of the limits of a protection class 1 – 6 city providing fire protection but beyond 1,000 feet from a public fire hydrant will be classified as protection class 8.

For risks subscribing for fire protection:

- Risks located within ten (10) road miles travel distance of the limits of a protection class 1 – 8 city to which the insured subscribes for fire protection will be assigned the classification of the city providing the fire protection.

Protection class 10 will be applied to any risk that is beyond 10 miles from the city limits.

The Fire Protection Class reference pages are located and updated on the Portal under the Forms and Manuals section. This modification does not apply to commercial policies.

Revised 04/2020

IN-15
PERSONAL LINES – PROPERTY (SECTION I) & LIABILITY (SECTION II)
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<th>Section</th>
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<td>Risk Selection</td>
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<td>Field Underwriting Techniques</td>
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<td>Property Coverages</td>
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<tr>
<td>Additional Property Coverages</td>
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<td>Personal Property</td>
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<td>Property Peril Codes</td>
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<td>Trial Applications</td>
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<td>Homeowner/Mobile Homeowners Requirements</td>
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<td>Applicants Previously Canceled</td>
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<td>Insurable Interest</td>
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<td>Pre-Assigned Policy Numbers</td>
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<td>Other Insurance</td>
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<td>Common Law Marriage</td>
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<td>Co-Habitators</td>
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<td>Property Information</td>
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<td>Attractive Nuisance</td>
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<td>Condominiums</td>
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<td>Manufactured: Mobile vs. Modular Homes</td>
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<td>Contents in Storage</td>
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<td>Inflation Guard</td>
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<td>Insurance to Value</td>
<td>40</td>
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<td>Conversions</td>
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<td>High-Value Dwelling</td>
<td>42</td>
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<td>Property (Roof) Inspections</td>
<td>43</td>
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<td>Other Structures</td>
<td>44</td>
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<td>Guest Homes</td>
<td>44</td>
</tr>
<tr>
<td>Permanent Foundations</td>
<td>44</td>
</tr>
<tr>
<td>Photos</td>
<td>45</td>
</tr>
<tr>
<td>Pier Foundations</td>
<td>45</td>
</tr>
</tbody>
</table>

Updated 4/2020
Risk Selection

Prospecting profitable business begins with a good knowledge of the client you are working for and the products we sell. The client service folder is an efficient tool to help you identify your client’s needs, allowing you to quote effective coverage. This builds client confidence in you, the insurance professional.

Matching our underwriting guidelines and requirements to your client’s particular situation allows us to adequately rate policies for your book of business. While we hope that it is a rare experience, you will sometimes find that a client does not qualify for coverage with Mountain West Farm Bureau Mutual Insurance Company.

Profitability and Rates

Profitable business can be measured by reviewing the policy loss ratio - a comparison of losses paid to premium collected. Profitability can also be measured in the amount of time spent in your office and in the home office to service a client’s policy. Frequent changes to a policy, lapses of coverage, or a policyholder who does not respond in a timely manner to information requests from you, the home office, or claims staff all increase our service time and the expense of providing quality service to all of our clients.

Understanding our underwriting guidelines, collecting complete information, and rating risks properly will result in profitable, long-lasting (seasoned) business for years to come. This, in turn, will enhance our financial strength, allowing for more creative niche marketing opportunities specifically designed and developed for your county.
Field Underwriting Techniques

We suggest you collect the following information and use these or similar techniques in your discussions with the client:

<table>
<thead>
<tr>
<th>Underwriting Technique</th>
<th>Notes</th>
</tr>
</thead>
</table>
| **Order Applicable Reports** | National Credit File (NCF is required for all property applications).  
  *Agent may bind:* Satisfactory, Good, Superior, and Elite insurance score factors.  
  HOA/4 must be submitted on a trial.  
  HO-3 indicates report is unavailable - agent may bind.  
  Property C.L.U.E. is encouraged to determine client's prior claims history. |
| **Prior Insurance History** | Underwriting considers a 3-year insurance history. |
| **Inspect All Property** | It is required that you inspect all properties before binding coverage. We need to make sure the property qualifies for the type of policy being submitted. |
| **Ask All Application Questions** | Do not assume what the client's answer is or modify the way the question is asked on the application. Your client's signature certifies that the answers provided to each question are accurate and complete. |
| **Give Additional Information** | Additional information attached to an application may be the difference between an underwriter accepting or rejecting a risk. You are our eyes and ears in the community. Let us know what you know about the client and situation. |
### PROPERTY COVERAGES

*Please refer to the policy for actual language.*

<table>
<thead>
<tr>
<th>Coverage A Dwelling</th>
<th>Property Coverages</th>
<th>Requirements and Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling</td>
<td>Dwellings shown in the Declarations used principally as the insured's primary residence. Includes structures attached to the dwelling and outdoor equipment.</td>
<td>100% replacement cost is required.</td>
</tr>
<tr>
<td></td>
<td>Inflation Guard applies to Types A and B homes.</td>
<td>10% Other Structures - may be increased by endorsement.</td>
</tr>
<tr>
<td></td>
<td>Special Form homes</td>
<td>Deadbolts on all exterior doors and fire extinguishers are required</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage B Loss of Use</th>
<th>Property Coverages</th>
<th>Requirements and Limitations</th>
</tr>
</thead>
</table>
| If a loss covered under Coverage A or C makes the dwelling uninhabitable, we pay Additional Living Expense, Fair Rental Value, and Prohibited Use. | 20% of the Coverage A or C amount of insurance is extended to cover:  
- Additional Living Expense: 12 month limit may be increased by endorsement  
- Fair Rental Expense: 12 month limit  
- Prohibited Use: 2 wk limit |

<table>
<thead>
<tr>
<th>Coverage C Personal Property</th>
<th>Property Coverages</th>
<th>Requirements and Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides coverage for personal property on the premises and 10% of the Coverage C amount or $2,000, whichever is greater, for property owned by the insured while it is anywhere in the world.</td>
<td>See Coverage C - Personal Property Special Limits.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage D Farm Personal Property</th>
<th>Property Coverages</th>
<th>Requirements and Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides automatic coverage for Unscheduled Farm Personal Property including hay, grain, livestock, and borrowed mobile agricultural machinery. Items must be insured to full value or will be subject to an 80% co-insurance clause.</td>
<td>Country Home policies only. $10,000 automatic coverage. Special limits apply to some items.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage E Dwellings, Personal Property, and Farm Buildings</th>
<th>Property Coverages</th>
<th>Requirements and Limitations</th>
</tr>
</thead>
</table>
| Dwellings, Personal Property, and Farm Buildings | ACV  
- RC available by endorsement if structure qualifies.  
- May be written Peril V or W.  
- Peril X is available if the structure or contents qualify. |
ADDITIONAL PROPERTY COVERAGES

Coverage A Dwellings and Tenants Policies

The policy provides additional coverages when a covered loss occurs at the insured residence.

<table>
<thead>
<tr>
<th>Additional Coverages</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debris removal</td>
<td>Up to an additional 5% of Coverage A or C limits. We may also pay up to $1,000 for the removal of fallen trees.</td>
</tr>
<tr>
<td>Reasonable repairs</td>
<td>Included in the Coverage A or C limits</td>
</tr>
<tr>
<td>Trees, shrubs, and other plants</td>
<td>Up to an additional 5% of Coverage A limits ($500 per item limit)</td>
</tr>
<tr>
<td>Refrigerated products</td>
<td>$750 limit – Coverage C only</td>
</tr>
<tr>
<td>Credit card, bank transfer card, counterfeit currency, and forgery</td>
<td>Up to $500</td>
</tr>
<tr>
<td>Fire Department service charge</td>
<td>$500 in addition to the Coverage A limit</td>
</tr>
<tr>
<td>Collapse</td>
<td>Included in Coverage C limits</td>
</tr>
<tr>
<td>Fire extinguisher recharge</td>
<td>Included in Coverage C limits</td>
</tr>
<tr>
<td>Locks</td>
<td>Included in Coverage C limits</td>
</tr>
<tr>
<td>Grave markers</td>
<td>Up to $2,500</td>
</tr>
<tr>
<td>Cleanup and Removal of Pollutants</td>
<td>Up to $10,000</td>
</tr>
</tbody>
</table>

No deductible applies to these coverages, with the exception of collapse.
PERSONAL PROPERTY

Policy language limits the amount payable for certain types of Coverage C - Personal Property. The amount shown below is the maximum amount of coverage for that type of personal property unless:

- Limits are increased by endorsement, where available; or
- The item is scheduled in Section IV – Inland Marine

<table>
<thead>
<tr>
<th>Property</th>
<th>Limits</th>
<th>Alternative Coverage Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money, bank notes, and coins</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>Electronic equipment while in an Automobile</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Automobile or trailer parts not attached to the automobile or trailer while on resident’s premises</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Securities, accounts, deeds, and personal records</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>Watercraft including trailers, equipment, and outboard motors</td>
<td>$2,000</td>
<td>May be insured under Section IV - Inland Marine</td>
</tr>
<tr>
<td>Trailers not otherwise insured</td>
<td>$1,500</td>
<td>May be insured under Section III – Automobile or Section IV - Inland Marine</td>
</tr>
<tr>
<td>Jewelry, watches, furs, precious, and semi-precious stones (theft only)</td>
<td>$3,000</td>
<td>Increased limits available or may be insured under Section IV - Inland Marine</td>
</tr>
<tr>
<td>([$1,000 per item])</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firearms and related equipment (theft only)</td>
<td>$2,500</td>
<td>Increased limits available or may be insured under Section IV - Inland Marine</td>
</tr>
<tr>
<td>Silverware, goldware, and pewterware (theft only)</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>Business Personal Property at insured location</td>
<td>$2,000</td>
<td>May need commercial coverage if additional limits are needed</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>This coverage does not include merchandise held for sample or sale</em></td>
</tr>
</tbody>
</table>
**Property Not Insured as Coverage C**

- Aircraft or hovercraft and their parts
- Animals, birds, fish, or pets
- Items separately described and specifically insured elsewhere
- Business Data
- Campers, camp trailers, motorhomes, and toppers
- Farm Personal Property
- Mobile Agricultural Machinery, unlicensed equipment and their parts
- Automobiles, motor vehicles and their parts
- Personal property located and rented to others at another premises owned by the insured
- Property of roomers, tenants, and boarders
- Recreational motor vehicles and their parts
- Merchandise held for samples or sale
- Marijuana, including hemp products

<table>
<thead>
<tr>
<th>Coverage D – Farm Personal Property</th>
<th>Additional Coverages and Special Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>Limits</td>
</tr>
<tr>
<td>Borrowed Mobile Agricultural Machinery</td>
<td>$10,000 or 20% of Farm Personal Property limit</td>
</tr>
<tr>
<td>Rented or leased mobile agricultural machinery and unlicensed equipment</td>
<td>$20,000</td>
</tr>
<tr>
<td>Cleanup and renewal of pollutants</td>
<td>$10,000</td>
</tr>
<tr>
<td>Livestock</td>
<td>$2,000 per head</td>
</tr>
<tr>
<td>Harvested Crops (Hay, grain, straw, fodder, and silage)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Magnetic Recording or Storage Media</td>
<td>Subject to Coverage D limit</td>
</tr>
<tr>
<td>Portable Buildings and Structures</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

Updated 4/2020
## PROPERTY PERIL CODES

### Peril V Perils 1-2
- **Peril 1**: Fire and Lightning
- **Peril 2**: Preservation

### Peril W Perils 1-9
- **Peril 1**: Fire and lightning
- **Peril 2**: Preservation
- **Peril 3**: Windstorm and hail
- **Peril 4**: Explosion
- **Peril 5**: Riot or civil commotion
- **Peril 6**: Aircraft
- **Peril 7**: Vehicles
- **Peril 8**: Smoke
- **Peril 9**: Vandalism

### Peril X Perils 1-18
- **Peril 1**: Fire or lightning
- **Peril 2**: Preservation
- **Peril 3**: Windstorm and hail
- **Peril 4**: Explosion
- **Peril 5**: Riot or civil commotion
- **Peril 6**: Aircraft
- **Peril 7**: Vehicles
- **Peril 8**: Smoke
- **Peril 9**: Vandalism
- **Peril 10**: Theft
- **Peril 11**: Breakage of glass or safety glazing material
- **Peril 12**: Weight of ice, snow, or sleet which causes damage to a building
- **Peril 13**: Volcanic action
- **Peril 14**: Accidental discharge or overflow
- **Peril 15**: Sudden or accidental tearing apart, cracking, burning, or bulging
- **Peril 16**: Falling objects
- **Peril 17**: Freezing of plumbing, heating, or air conditioning system, or of a household appliance
- **Peril 18**: Sudden and accidental damage from artificially generated electrical current

### Peril Y Country Home *
- **Peril 19**: Collision with another object or overturn (no livestock)
- **Peril 20**: Electrocution to covered livestock
- **Peril 21**: Direct attack to covered Livestock by dogs or wild animals
- **Peril 22**: Accidental shooting to covered Livestock
- **Peril 23**: Collision or overturn to covered livestock
- **Peril 24**: Drowning of covered livestock

### Peril Z Peril 25
- **Peril 25**: Special Coverage – Open Perils (Perils 1-18 on contents)

*Please see policy language for exclusions applicable to special form*

---

* - Peril Y refers to blanket (Farm Personal Property) coverage on a Country Home
** - Refer to Section I – Perils of Policy Language for complete definitions of Perils.
**TRIAL APPLICATIONS**

Certain risks require Home Office approval before an agent can bind coverage. We require the items in question to be submitted on a trial basis. Please submit as much information as possible to help the underwriter make an informed decision about a certain risk, and keep in mind that a complete application may still be required by the underwriter. Common reasons for Trial Applications and information needed are:

<table>
<thead>
<tr>
<th>Referral Reason</th>
<th>Required Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Valued Dwellings</td>
<td>• Completed High-Valued Questionnaire (See FAQ Section)</td>
</tr>
<tr>
<td></td>
<td>• Interior and exterior photographs</td>
</tr>
<tr>
<td></td>
<td>• Minimum $2500 deductible is required</td>
</tr>
<tr>
<td>HOA/4 Insurance Score</td>
<td>• Name, address, and social security number</td>
</tr>
<tr>
<td></td>
<td>• Explanation of credit</td>
</tr>
<tr>
<td>2 or more Prior Property Losses – Wind/Hail Losses and/or Property Losses</td>
<td>• Cancel letter from previous carrier (if applicable)</td>
</tr>
<tr>
<td></td>
<td>• Property losses – name and address</td>
</tr>
<tr>
<td></td>
<td>• Automobile losses – name, address, and previous carrier</td>
</tr>
<tr>
<td></td>
<td>• 3 or more prior property losses may not be eligible – see the Minimum Deductible Guidelines for Structures to see what options are available</td>
</tr>
<tr>
<td>Lack of a 75 Foot Defensible Zone</td>
<td>• Completed questionnaire (See FAQ Section)</td>
</tr>
<tr>
<td></td>
<td>• Photographs</td>
</tr>
<tr>
<td></td>
<td>• Diagram</td>
</tr>
<tr>
<td></td>
<td>• Documentation of Forest Service Mitigation</td>
</tr>
<tr>
<td>Umbrella Limit exceeding $1M for Agents and $2M for Preferred Agents</td>
<td>• Completed Umbrella application (unsigned), social security number, financial statement, and driver information (if applicable)</td>
</tr>
<tr>
<td>IRPM request in excess of 10% deviation</td>
<td>• Completed worksheet and explanation on each category (photographs for premises discount)</td>
</tr>
<tr>
<td>Other</td>
<td>• DO NOT give an effective date</td>
</tr>
<tr>
<td></td>
<td>• DO NOT sign or have the client sign the application</td>
</tr>
<tr>
<td></td>
<td>• DO NOT collect any premium (do not bind one section if the other section does not qualify for a package policy)</td>
</tr>
<tr>
<td></td>
<td>• DO include all supporting documentation, including photos</td>
</tr>
<tr>
<td></td>
<td>• DO refer to the specific coverage sections for lists of Ineligible Risks and Home Office approval situations</td>
</tr>
</tbody>
</table>

- Please refer to the excel chart located on Portal as well as the Need to Know Memo sent June 5th, 2014.
HOMEOWNER/MOBILE HOMEOWNERS REQUIREMENTS

- Mobile Homeowners Available on Country Squire Policy type only

Dwelling Requirements - Coverage A
Refer to Zone/POD Requirements

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Occupied</td>
<td>• Home or apartment must be used as the <strong>insured’s primary, private residence</strong>.</td>
</tr>
<tr>
<td></td>
<td>• Must be owner-occupied at least 9-12 months of the year.</td>
</tr>
<tr>
<td>Foundation</td>
<td>• <strong>Continuous concrete foundation</strong> must be found under all exterior walls to qualify for Homeowner coverage.</td>
</tr>
<tr>
<td></td>
<td>• Dwellings on exposed pier foundations <strong>do not qualify</strong> due to the risk of freezing plumbing.</td>
</tr>
<tr>
<td></td>
<td>• Mobile homes must be blocked and properly skirted.</td>
</tr>
<tr>
<td>Interior Plumbing</td>
<td>• Water must be supplied from a continuous, reliable water source through a permanent plumbing system.</td>
</tr>
<tr>
<td>Electrical System</td>
<td>• The primary electrical source must be provided by a commercial power source located off the insured premises and permanently wired to the home.</td>
</tr>
<tr>
<td></td>
<td>• System must be at least 100 amps.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Ineligible systems:</strong></td>
</tr>
<tr>
<td></td>
<td>• Homes powered solely by windmills, wind generators, battery packs, and/or generators.</td>
</tr>
<tr>
<td></td>
<td>• Homes powered solely by solar panels.</td>
</tr>
<tr>
<td>Central Heating System</td>
<td>• The home must have a thermostatically controlled central heating plant, such as:</td>
</tr>
<tr>
<td></td>
<td>• Forced air system,</td>
</tr>
<tr>
<td></td>
<td>• Electric baseboard heat, or</td>
</tr>
<tr>
<td></td>
<td>• Water-based baseboard or radiant heat.</td>
</tr>
<tr>
<td>Telephone Service</td>
<td>• The dwelling must have access to phone service, either cellular or land line.</td>
</tr>
<tr>
<td>Condition</td>
<td>• Premises must be:</td>
</tr>
<tr>
<td></td>
<td>• Well maintained and show a good “pride of ownership”, and</td>
</tr>
<tr>
<td></td>
<td>• Clear from debris, trash, old cars, weeds, tree limbs, appliances, etc.</td>
</tr>
</tbody>
</table>
## Dwelling Requirements - Coverage A, continued

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Notes</th>
</tr>
</thead>
</table>
| **Roofs**         | • In good condition:  
|                   | • Well secured,  
|                   | • No missing sections, shingles, or ridge cap.  
|                   | • No curled shingles.  
|                   | • No broken pieces.  
|                   | • Cannot use weight devices (tires or concrete blocks) to secure roof.  
|                   | • Composition or asphalt shingle; slate, tile, cement, or masonite shingles; metal or wood shake/shingles are eligible materials.  
|                   | • Roofs over 25 years old will be restricted unless expected life of material exceeds 25 years. *Example: Cement tile shingles have a life of 50 years.*  
| **Special Notes:**| • Rolled roofing is not acceptable on any portion of the Coverage A dwelling or other structure.  
|                   | • Flat tar and gravel roofs can only be written with Peril X.  
|                   | • Homes with 3+ layers must be restricted.  
|                   | • Domed roofs can only be written with Peril X, Type B rates (Standard B).  
|                   | • Roofs 15 years old or older must be written ACV.  
|                   | • 3-Tab shingles must be written ACV.  
|                   | • T-Lock shingles must be restricted.  
|                   | • Peril Z is available on dwellings with flat roofs if the material is commercial grade, professionally installed rubber membrane. |
| **Paint and Siding** | • Must be in good condition without peeling or cracking. |
| **Doors and Windows** | • Must be equipped with good hardware, including hinges and fasteners.  
|                   | • Windows must not be broken or missing. |
| **Decks and Stairs** | • Must be in good condition.  
|                   | • Railings are required on anything over 36 inches high (doors, decks, steps, etc.).  
|                   | • Include in the value of the home. |
Dwelling Requirements – Coverage E

_Dwellings and outbuildings must meet requirements to be written on a stand-alone 5F or 4H policy with no supporting auto business._ *(see Montana/Wyoming Property Zone Chart)*

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Owner Occupied       | • Home can be owner or tenant occupied.  
                      • Must insure owner’s primary residence.  
                      • Rentals are ineligible                                                                                                                   |
| Foundation           | • **Continuous concrete foundation** must be found under all exterior walls to qualify for dwelling coverage.  
                      • Dwellings or cabins on exposed pier foundations qualify for Peril V or W only. Cabins without interior plumbing may qualify for all perils  
                      • Mobile homes must be blocked and properly skirted                                                                                     |
| Interior Plumbing    | • Water must be supplied from a continuous, reliable water source through a permanent plumbing system.  
                      • Cabins without interior plumbing may qualify for all perils                                                                                 |
| Electrical System    | • The primary electrical source must be provided by a commercial power source located off the insured premises and permanently wired to the home.  
                      • System must be at least 100 amps.  
                      • Dwellings or cabins without a commercially supplied electrical service qualify for Peril V or W only. Cabins without interior plumbing may qualify for all perils |
| Updates              | • Updates are required on tenant occupied dwellings built prior to 1970.                                                                                                                                  |
| Central Heating System | • The home must have a thermostatically controlled central heating plant, such as:  
                          o Forced air system,  
                          o Electric baseboard heat, or  
                          o Water-based baseboard or radiant heat.  
                      • Dwellings or cabins with no central heating system qualify for Peril V or W only. Cabins without interior plumbing may qualify for all perils |
| Telephone Service    | • The dwelling must have access to phone service, either cellular or land line.                                                                                                                            |
| Condition            | • Premises must be:  
                          o Well maintained and show a good “pride of ownership”, and  
                          • Clear from debris, trash, old cars, weeds, tree limbs, appliances, etc.                                                                   |
## Dwelling Requirements – Coverage E, continued

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Notes</th>
</tr>
</thead>
</table>
| **Roof**          | • In good condition:  
|                   |   o Well secured.  
|                   |   o No missing sections, shingles, or ridge cap.  
|                   |   o No curled shingles.  
|                   |   o No broken pieces.  
|                   |   o Cannot use weight devices (tires or concrete blocks) to secure roof.  
|                   | • Composition or asphalt shingle; slate, tile, cement, or masonite shingles; metal or wood shake/shingles are eligible materials.  
|                   | • Roofs over 25 years old will be restricted unless expected life of material exceeds 25 years. *Example: Cement tile shingles have a life of 50 years.*  
|                   |   **Special Notes:**  
|                   |   • Rolled roofing will be considered for Peril V or W only. To qualify for Peril X, the roof must be restricted.  
|                   |   • Homes with 3+ layers must be restricted.  
|                   |   • Roofs 15 years old or older must be written ACV.  
|                   |   • 3-Tab shingles must be written ACV.  
|                   |   • T-lock shingles must be restricted.  
| **Paint and Siding** | • Must be in good condition without peeling or cracking.  
| **Doors and Windows** | • Must be equipped with good hardware, including hinges and fasteners.  
|                   | • Windows must not be broken or missing.  
| **Decks and Stairs** | • Must be in good condition.  
|                   | • Railings are required on anything over 36 inches high (doors, decks, steps, etc.).  
|                   | • Include in the value of the home.  

Updated 4/2020
## Ineligible Risks – Coverage A

- **Mobile/manufactured homes are only available on Country Squire Policy type**

<table>
<thead>
<tr>
<th>Risk Attribute</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Property**       | • Property located outside Montana and Wyoming.  
                      • Dwellings not owner occupied at least 9-12 months of the year.  
                      • Dwellings or mobile homes that are rented out.  
                      • Vacant or unoccupied dwellings.  
                      • No physical/utility value.  
                      • Mobile homes 21 or older.  
                      • Mobile homes not skirted.  
                      • Mobile homes that use hay bales or railroad ties as skirting and/or insulation. |
| **Use**            | • Commercial use of property/commercial exposure.  
                      • Dwelling with more than four housing units or apartments. |
| **Physical Characteristics** | • Property that is in desperate need of repair, maintenance, and upkeep.  
                      • Property that shows signs of liability exposures such as missing handrails, missing railings on decks, etc.  
                      • Dwellings with exposed pier foundations.  
                      • Travel trailers/motorhomes used as residence.  
                      • Homes powered solely by windmills, wind generators, battery packs, and/or generators.  
                      • Homes solely powered or heated by solar panels.  
                      • Yurt (canvas) homes.  
                      • Straw built homes.  
                      • Homes with tires or other weight devices on the roof.  
                      • Homes in forested areas without a 75 foot defensible zone.  
                      • Homes with ineligible attractive nuisance. |
| **Applicant**      | • Clients constituting a moral or morale hazard.  
                      • Previously canceled by another carrier.  
                      • Engaged in illegal activities.  
                      • With a criminal record.  
                      • Having more than two property or liability losses in the past three years |
| **Ownership**      | • Homes not deeded to named insured.  
                      • Dwellings owned by corporations or LLC’s (unless husband and wife are the only two members/officers). Some exceptions are made with the Country Squire line. Contact your underwriter if you have questions. |
**HOME OFFICE APPROVAL – COVERAGE A**

*Business must be sent to the home office on a trial application. Agent should not bind coverage, accept payment, or collect a signature.*

<table>
<thead>
<tr>
<th>Risk Attribute</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Values**     | • Dwellings over $800,000.  
                  • Tenants coverage over $200,000.  
                  • Other structures over $200,000. |
| **Applicants** | • Clients with HOA/4 credit.  
                  • Clients with collections, bankruptcy, or foreclosures.  
                  • Not full-time residents of Wyoming or Montana.  
                  • Needing insurance for a short time or who are planning to move from Wyoming or Montana. |
| **Property**   | • Property with unusual risks associated with it (example: airstrip). |
| **Liability**  | • Liability limits over $1.5 million ($500,000 underlying + $1 million Umbrella) |

For New Business with Existing Losses, Home Office Approval may be required. Please reference the chart below for eligibility guidelines for new business with prior property losses.

**Please reference the New Business Minimum Deductible Guidelines Chart on Page PL-23.**
**INELIGIBLE RISKS – COVERAGE E**

- Mobile/manufactured homes are only available on Country Squire Policy type

*Dwellings and outbuildings must meet requirements to be written on a stand-alone 5F or 4H policy with no supporting auto business. (see Montana/Wyoming Property Zone Chart)*

<table>
<thead>
<tr>
<th>Risk Attribute</th>
<th>Details</th>
</tr>
</thead>
</table>
| Property            | • Property located outside Montana and Wyoming.  
                      • Rental dwellings without supporting primary residence.  
                      • Rental Dwellings without commercial utilities.  
                      • Vacant or unoccupied dwellings.  
                      • No physical/utility value.  
                      • Mobile homes older than 1978.  
                      • Mobile homes not skirted.  
                      • Mobile homes that use hay bales or railroad ties as skirting and/or insulation. |
| Use                 | • Commercial use of property/commercial exposure.  
                      • Dwelling with more than four housing units or apartments.  
                      • Purchasing dwellings to fix up and re-sell or “flipping” houses. |
| Physical Characteristics | • Property that is in desperate need of repair, maintenance, and upkeep.  
                          • Property that shows signs of liability exposures such as missing handrails, missing railings on decks, etc.  
                          • Travel trailers/motorhomes used as residence.  
                          • Homes powered solely by windmills, wind generators, battery packs, and/or generators.  
                          • Homes solely powered or heated by solar panels.  
                          • Homes with tires or other weight devices on the roof.  
                          • Homes in forested areas without a 75 foot defensible zone.  
                          • Dwellings or cabins on pier foundations or no central heating system qualify for Peril V or W only. (Cabins without interior plumbing may qualify for all Perils) |
| Applicant           | • Clients constituting a moral or morale hazard.  
                          • Previously canceled by another carrier.  
                          • Engaged in illegal activities.  
                          • With a criminal record.  
                          • Having more than two property or liability losses in the past three years (excluding Act of God losses - wind/hail). |
| Ownership           | • Home not deeded to named insured.  
                          • Dwellings owned by corporations or LLC’s, unless husband and wife are the only two members/officers. Some exceptions are made with the CQ line - contact your underwriter if you have questions. |
Business must be sent to the home office on a trial application. Agent should not bind coverage, accept payment, or collect a signature.

<table>
<thead>
<tr>
<th>Risk Attribute</th>
<th>Details</th>
</tr>
</thead>
</table>
| Values         | • Dwellings over $375,000.  
                 | • Tenants coverage over $200,000.  
                 | • Other structures over $200,000. |
| Applicant      | • Clients with HOA/4 credit.  
                 | • Clients with collections, bankruptcy, or foreclosures.  
                 | • Not full-time residents of Wyoming or Montana.  
                 | • Having more than two property or liability losses in the past three years.  
                 | • Needing insurance for a short time or who are planning to move from Wyoming or Montana. |
| Property       | • Property with unusual risks associated with it (example: airstrip).  
                 | • Coverage E items requesting replacement cost on the structure. |
| Liability      | • Liability limits over $1.5 million ($500,000 underlying + $1 million Umbrella). |

For New Business with Existing Losses, Home Office Approval may be required. Please reference the chart below for eligibility guidelines for new business with prior property losses.

Please reference the New Business Minimum Deductible Requirements Chart
Minimum Deductible Requirements Chart

These requirements are for new business and are based on zone and type/number of claims.

* Minimum deductible is $1000 or equivalent and two wind/hail or two property claims are ineligible.

<table>
<thead>
<tr>
<th>Zone</th>
<th># of Wind/Hail losses in last 36 months</th>
<th># of Non-Wind/Hail losses in last 36 months</th>
<th>Minimum Required Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1</td>
<td>0</td>
<td>0</td>
<td>$1000</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1500</td>
<td>$1500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>Zone 2</td>
<td>0</td>
<td>0</td>
<td>$1000</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1500</td>
<td>$1500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>Zone 3</td>
<td>0</td>
<td>0</td>
<td>.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1000</td>
<td>1000/2%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1500</td>
<td>2%</td>
</tr>
<tr>
<td>Zone 4</td>
<td>0</td>
<td>0</td>
<td>.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1000</td>
<td>1000/2%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1500</td>
<td>2%</td>
</tr>
<tr>
<td>Zone 5</td>
<td>0</td>
<td>0</td>
<td>.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1000</td>
<td>1000/2%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1500</td>
<td>2%</td>
</tr>
</tbody>
</table>

For a loss to be counted:
- It must result in total payments of $1200 or greater
- *Flat deductibles of $10,000 or higher are acceptable as a substitute for any of the above requirements.
- *For clients who are loss free or one minor loss, can accommodate lesser deductible if required by mortgagee. Documentation required unless mortgagee is the MT Board of Housing.

Other deductible options (must be comparable to the minimum requirements):

Windstorm or Hail Co-pay Deductible (FO-20.159): please refer to available homeowner’s deductibles

All Peril Percentage Deductible (FO-20.165): for all policy types and elements
Options: .25%, .5%, 1%, 1.5%, 2%, 3%, 5% and 10%
*If All peril percentage deductible selected, all deductibles on the policy must be consistent.

Flat* (Zones 3, 4 & 5 ONLY)
Flat deductibles are available for clients that have not had any wind/hail losses over $1200 in the last 36 months.
The minimum flat deductibles are based on the amount of insurance (AOI) of the dwelling.

<table>
<thead>
<tr>
<th>Amount of Insurance (AOI)</th>
<th>Minimum Required Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $100,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>$100,001 - $300,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>$300,001 - $400,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>$400,001 - $750,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>$750,001 +</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

Updated 4/2020
# MONTANA PROPERTY ZONE CHART

<table>
<thead>
<tr>
<th>Minimum Section 1 deductible for new &amp; renewal policy</th>
<th>Zone 1</th>
<th>Zone 2</th>
<th>Zone 3</th>
<th>Zone 4</th>
<th>Zone 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum roof age</strong> for roof to qualify for replacement cost – refer to Roofing Guidelines for additional information</td>
<td>No age limit if materials are architectural shingles, tile shingles or steel</td>
<td>14 years or less</td>
<td>14 years or less</td>
<td>14 years or less</td>
<td>14 years or less</td>
</tr>
<tr>
<td>Binding new Coverage A dwelling policy</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>CQ</td>
<td>CQ</td>
</tr>
<tr>
<td>Adding or Replacing Coverage A dwelling on existing policy</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ</td>
<td>4H, CP, CQ</td>
</tr>
<tr>
<td>Adding new Coverage E non-rental dwelling to new or existing policy</td>
<td>5F, 4H, 4T, CP, CQ, CH</td>
<td>5F, 4H, 4T, CP, CQ, CH</td>
<td>CP, CQ, CH</td>
<td>CP, CQ</td>
<td>CP, CQ</td>
</tr>
<tr>
<td>Adding new rental to new or existing policy (total # on policy cannot exceed 2 for personal lines)</td>
<td>CP, CQ, CH, BOP, 900 Allowed on 4H, 4T if no prior claims &amp; rental is 30 years or newer (no updates) - rental must be in the Green or Blue Zone</td>
<td>CP, CQ, CH, BOP, 900 Allowed on 4H, 4T if no prior claims &amp; rental is 30 years or newer (no updates) - rental must be in the Green or Blue Zone</td>
<td>CP, CQ, CH, BOP, 900</td>
<td>CP, CQ, CH, BOP, 900</td>
<td>CP, CQ, CH, BOP, 900</td>
</tr>
<tr>
<td>Adding new Coverage E dwelling to existing 5F policy (total # of rentals on policy cannot exceed 2 for personal lines)</td>
<td>Yes</td>
<td>Yes</td>
<td>Contents Only</td>
<td>Contents Only</td>
<td>Contents Only</td>
</tr>
<tr>
<td>Replacing Coverage E dwelling on existing policy (total # of rentals on policy cannot exceed 2 for personal lines)</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
</tr>
<tr>
<td>New 4HCP or Country Home written by non-resident Agent</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>New Country Squire by non-resident agent</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Reference the Minimum Deductible Requirements Chart

---

Updated 4/2020
## WYOMING PROPERTY ZONE CHART

<table>
<thead>
<tr>
<th>Minimum Section 1 deductible for new and renewal policy</th>
<th>Zone 1</th>
<th>Zone 2</th>
<th>Zone 3</th>
<th>Zone 4</th>
<th>Zone 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum roof age for roof to qualify for replacement cost – refer to Roofing Guidelines for additional information</td>
<td>No age limit if materials are architectural shingles, tile shingles or steel</td>
<td>14 years or less</td>
<td>14 years or less</td>
<td>14 years or less</td>
<td>14 years or less</td>
</tr>
<tr>
<td>Binding New Coverage A dwelling policy</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>CP, CQ, CH</td>
<td>CP, CQ, CH</td>
</tr>
<tr>
<td>Adding or Replacing Coverage A dwelling on existing policy</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
<td>4H, CP, CQ, CH</td>
</tr>
<tr>
<td>Adding new Coverage E non-rental dwelling to new or existing policy</td>
<td>5F, 4H, 4T, CP, CQ, CH</td>
<td>5F, 4H, 4T, CP, CQ, CH</td>
<td>CP, CQ, CH</td>
<td>CP, CQ, CH</td>
<td>CP, CQ, CH</td>
</tr>
<tr>
<td>Adding new rental to new or existing policy (total # on policy cannot exceed 2 for personal lines)</td>
<td>CP, CQ, CH, BOP, 900 Allowed on 4H, 4T if no prior claims &amp; rental is 30 years or newer (no updates) - rental must be in the Blue or Green Zone</td>
<td>CP, CQ, CH, BOP, 900 Allowed on 4H, 4T if no prior claims &amp; rental is 30 years or newer (no updates) - rental must be in the Blue or Green Zone</td>
<td>CP, CQ, CH, BOP, 900</td>
<td>CP, CQ, CH, BOP, 900</td>
<td>CP, CQ, CH, BOP, 900</td>
</tr>
<tr>
<td>Adding new Coverage E dwelling to existing 5F policy (total # of rentals on policy cannot exceed 2 for personal lines)</td>
<td>Yes</td>
<td>Yes</td>
<td>Contents Only</td>
<td>Contents Only</td>
<td>Contents Only</td>
</tr>
<tr>
<td>Replacing Coverage E dwelling on existing policy (total # of rentals on policy cannot exceed 2 for personal lines)</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
<td>4H, 4T, 5F, CP, CQ, CH</td>
</tr>
<tr>
<td>New 4H, written by non-resident Agent</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>New CP, Country Home or Country Squire written by non-resident agent</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Reference the Minimum Deductible Requirements Chart

Revised 12/19
Mountain West Farm Bureau Mutual Insurance Company has been providing insurance products and services for over 65 years. We understand the value of a local agent who can assist you with selecting an insurance program that is right for you. Contact your agent today for personalized insurance services.

Visit us online at www.mwfbi.com

A CLOSER LOOK AT HOW THE CO-PAY DEDUCTIBLE WORKS

Mountain West Farm Bureau Mutual Insurance Company

931 Boulder Drive
Laramie, WY 82070

MKT-CO-PAY (10/14)
THE FOLLOWING STATEMENTS & EXAMPLES ARE BASED ON:

- A HOME INSURED FOR $250,000 WITH A CO-PAY DEDUCTIBLE OF $1,000/2%.

- The Wind/Hail Co-Pay Deductible applies only to covered wind or hail losses on covered buildings and personal property.

- Other covered losses receive the first deductible listed. $1,000/2%

- In the event of a covered wind/hail loss, you are responsible for 20% of the loss (subject to a minimum and maximum) and the company is responsible for the other 80%.
  - In this example, the minimum is $1,000.
  - The maximum is 2% of the coverage amount of the home [$250,000 x 2%] MAX = $5,000.

A CLOSER LOOK AT THE CO-PAY DEDUCTIBLE

Wind/Hail Loss:

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>2% of the coverage amount of the home</td>
</tr>
<tr>
<td>All Other Covered Losses</td>
<td></td>
</tr>
</tbody>
</table>

EXAMPLE 1
HOUSE FIRE
Non Wind/Hail

1. Evaluate Damage
2. Figure Deductible
3. Figure Payment

- LOSS AMOUNT $23,000
  - Fire Damage
- DEDUCTIBLE $1,000
  - Any covered loss, excluding wind/hail
- INSURED PAYS $1,000
  - INBURANCE COVERS: $22,000

EXAMPLE 2
HAIL STORM
Partial Wind/Hail Loss

1. Evaluate Damage
2. Figure Deductible
3. Figure Payment

- LOSS AMOUNT $10,000
  - Partial Hail Loss
- MAXIMUM $5,000
  - 2% of Insurance Limit ($250,000) = $5,000
- MINIMUM $1,000
  - $1,000
- INSURED PAYS $2,000
  - INBURANCE COVERS: $8,000

EXAMPLE 3
TORNADO
Total Wind/Hail Loss

1. Evaluate Damage
2. Figure Deductible
3. Figure Payment

- LOSS AMOUNT $250,000
  - Total Wind Loss
- MAXIMUM $5,000
  - 2% of Insurance Limit ($250,000) = $5,000
- MINIMUM $1,000
  - $1,000
- INSURED PAYS $5,000
  - INBURANCE COVERS: $245,000

Updated 4/2020
General Guidelines

Applicants Previously Canceled

Applicants who have previously been canceled by another carrier can only be submitted on a trial basis. We require a copy of the cancellation letter from the prior carrier showing the reasons for the cancellation.

Assignment of Policy

When the deed or title of property transfers by gift, sale, or contract, we cannot continue to insure the property under the previous owner’s policy nor can we transfer that policy to another individual or entity. This is referred to as an assignment. If property ownership transfers, you need to write a new application for the new owner, even if the new owner is a family member.

We will not automatically approve a new owner solely because we have insured the property in the past. The new owners must meet all of our underwriting requirements.

Cancellations

We require a signed cancellation form when our client wishes to terminate their coverage. This form must contain the insured’s name, mailing address, policy number, and date of cancellation. The date of the signature should also show on the form.

We will not allow back-dated cancellations unless we have legal documentation that verifies the insured’s interest in the property ceased on the requested cancellation date.

Insurable Interest

The named insured must be listed on the deed/title to all property insured. Insurance cannot be written to cover property that is not owned by the named insured.

Pre-Assigned Policy Numbers

The cashier area will assist you with obtaining a pre-assigned policy number, if necessary.
**Other Insurance**

We do not insure property that is insured by another policy or carrier. Specific policy language applies.

**Common Law Marriage**

**Wyoming**

Common Law is not recognized in the state of Wyoming.

When two people consider themselves “common law married,” please verify the insurable interest of all property.

**Montana**

Common law requirements in Montana include:

- Capacity to consent to marriage.
- Agreement to be married.
- Cohabitation.
- Reputation of being married.
- An Affidavit is required for common law marriages and they wish to insure their property together with 2 signatures (See FAQ Section).
Co-Habitators

Unmarried couples who live together may not have insurable interest in one another’s home, personal property, or automobiles. Look at each co-habitator situation individually because they all are different. If one person does not have an interest in the other’s property, they cannot insure it.

**Example 1:**
Clients are asking for a City Squire policy. Joe is the owner of the house. Julie lives in the home with him but has no financial interest. Joe is the registered owner of one vehicle; Julie is the registered owner of the other. Joe and Julie are not married.

**Solution:**
Since Julie does not have insurable interest in the home and Joe does not have insurable interest in Julie’s vehicle, we cannot write a package policy for both Julie and Joe together. You can write Joe a City Squire for his home and his automobile. Julie will need to obtain a CP policy of her own. Since they are in the same household, we will allow the multi-car discount to apply to both policies.

**Example 2:**
Frank and Sarah live together, but are not married. They are requesting a City Squire policy. Frank and Sarah own the home and the automobiles jointly.

**Solution:**
You can write a City Squire policy for Frank and Sarah with both listed as a named insured.

**Example 3:**
William and Jolene are not married but have bought a home together. They each own their automobiles separately.

**Solution:**
You will need to place the home on a Homeowner policy with William and Jolene as the named insureds. The automobiles will need to be on individual Automobile policies; however, they can be correlated so they receive the multi-car discount on the automobiles.
Attractive Nuisance

An attractive nuisance is anything found on a piece of property that may attract children and present a safety hazard. We require attractive nuisances located on premises to be protected by a secure fence to prevent children access to the hazard.

PLEASE NOTE: Certain attractive nuisances are ineligible regardless if fenced or not fenced. Contact your Underwriter for eligibility.

Examples of attractive nuisance:
- Hot tubs
- Trampolines
- Swimming pools
- Outdoor play gyms
- Abandoned appliances or fixtures
- Ice rinks
- Zip lines

Cabins

Can be written as Coverage E if eligible (also insuring the insured’s primary residence.)

Structure must be located within the states of Wyoming or Montana

A 75 foot defensible zone is required when the cabin is located in a forested area in a protection class 8-10 (See FAQ Section).

Refer to “Zone guidelines” for Coverage E

*Personal liability needs to be extended from the insured’s primary policy.*
Condominiums

Ownership involves a group of individuals who have an “undivided interest” in the common elements of the property and a “sale interest” in a portion of the property as provided in the condominium agreement and bylaws.

- An association that is made up of all unit owners usually has the responsibility for insuring the buildings and all “undivided interest” for property and liability coverages.

The insured’s Homeowner policy will cover the insured’s contents, with endorsed coverage being allowed to protect the unit-owner’s property.

- Carpet
- Alterations
- Appliances or fixtures
- Improvements

Endorsements that may be added to provide property and liability coverages:

- Townhouse or Condominium Unit Owners Building Property (FO-20.114).
  - Provides Named Peril coverage on contents.
- Townhouse or Condominium Unit Owners Building Property – Special Coverage (FO-20.115).
  - Provides Special Coverage and named perils coverage
- Loss Assessment – Condo Unit Owner Coverage (FO-20.116).
  - Provides property and liability coverage in an association situation.

**Please note, when adding these endorsements, a copy of the Condo Association By-Laws will be required.**
Construction Definitions

Frame

A dwelling with exterior wall comprised of studs and covered on the exterior by sheeting and siding, including wood, Masonite, vinyl, steel, aluminum, masonry veneer, stucco, and prefabricated walls such as Styrofoam blocking with concrete.

A dwelling is classified as frame construction when the wall area of frame construction exceeds 33% (1/3) of the total exterior walls.

A dwelling with framed walls and veneered with masonry materials should be rated as frame.

Masonry

A dwelling is classified as masonry when exterior walls are constructed of brick, concrete block, adobe, or other masonry material.

A dwelling is classified as masonry construction when the wall area of masonry construction exceeds 66% (2/3) of the total exterior walls.

Mixed Construction

A dwelling sometimes has a mix of construction, including frame and masonry construction. A home will be considered frame construction when the frame construction is more than 33% of the total exterior walls.

Alternative Construction

<table>
<thead>
<tr>
<th>Construction Type</th>
<th>Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berm Homes</td>
<td>Coverage E only</td>
</tr>
<tr>
<td></td>
<td>Can be written with Peril X</td>
</tr>
<tr>
<td>Domed Homes</td>
<td>Cov A: May be written Type B; Standard form only. Cov E: may be written with Peril X</td>
</tr>
<tr>
<td>ICF Construction</td>
<td>Rate as Frame Construction</td>
</tr>
<tr>
<td>Straw Built Homes</td>
<td>Coverage E only</td>
</tr>
<tr>
<td></td>
<td>Can be written with Peril X</td>
</tr>
<tr>
<td>Rammed Earth</td>
<td>Coverage E only</td>
</tr>
<tr>
<td></td>
<td>Can be written V or W</td>
</tr>
<tr>
<td>Yurt (Canvas) Homes</td>
<td>Ineligible</td>
</tr>
</tbody>
</table>

For other types of alternative construction, please contact your underwriter.

Updated 4/2020
Mobile/Manufactured vs. Modular Homes

Manufactured/Mobile Homes

- Mobile/manufactured homes are only available on Country Squire Policy type

Mobile homes are constructed on steel beams with attached axles and wheels for transportation, and may be single, double, or triple wide units. Since 1978, mobile home construction has been regulated by HUD, who refers to them as manufactured homes. Mobile homes can be identified by a red 2x4 inch HUD Certification Label located on the exterior tail end of each unit. All mobile homes will also have a Data Plate, which is found inside the home, usually near the electrical breaker box.

![Data Plate Example](Source: nadaguide.com)

Modular Homes

Modular homes are constructed on joisted framing, like a stick-built home, and transported to the building site by trailer. They are then assembled on site in single, double, or triple wide sections. It is not uncommon for these structures to have two stories. Local building codes regulate their construction and are noted on a Uniform Building Code (UBC) sticker located under the sink or near the electrical breaker box.

![Colorado State Modular Code Label](Source: nadaguide.com)
Contents in Storage

10% of Coverage C extends to personal property away from the residence premises including items in storage.

When a client has more than 10% of their personal property in storage, you can write contents as Coverage E for the total value of the items being stored.

Contents in Storage can be written with Peril X.

Defensible Zones

For clients living in heavily wooded areas surrounded by forest in protection classes 8 - 10, we require:

- Photos
- A 75 foot clearing between the home and the forest
  - Landscaping trees, shrubs, and flowers near the home are acceptable
- Firewood stacked at least 50 feet from the dwelling
- Propane tanks at least 10 feet from the home
- Wood roofs and wood siding to be treated with UL approved fire retardant
- Driveways and access roads to be 12-14 feet wide
- Documentation of Forest Service Mitigation

Defensible Zone Questionnaires (See FAQ Section) for all structures located in forested areas are required.

Inflation Guard

An annual increase to the amount of insurance is automatic for:

- Standard (Type A and B homes).
- Deluxe (Type A and B homes).
- Special Form (Type A and B) homes.
- Tenant policies.
- Coverage E Structures

Inflation Guard Does not apply to Type C homes.
**Insurance to Value**

Insurance to value means that the amount of insurance shown in the Declarations is adequate to rebuild a home with like kind and quality products and features. Keep in mind the cost to repair or rebuild an existing home can exceed the cost of new construction. Contractor availability, small or specific material orders, and extensive repairs all increase the value of a loss. All Coverage A homes must be insured to 100% of the replacement cost of the home.

For Coverage E homes please refer to the **Coverage E Insuring to value Chart**

Insurance to value ensures the company collects adequate premium to pay all losses, whether partial or total losses. If we are not collecting adequate premium for the full replacement cost, we are inadequately insured against partial losses. This can create a need for rate increases, which results in loss of competitive advantages.
Conversions

A conversion is an easy way to change one type of policy to another, when possible.

The effective date of a conversion should be the date the insured wishes the prior policy to be canceled and the new policy to be in effect.

*It is important for you and your client to be aware that all coverages not converted to the new policy will be canceled.*

Types of conversions and required information include:

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Required Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>4H/4HM to CP/CPM</td>
<td>Conversion Form and application for the new Section III</td>
</tr>
<tr>
<td>4T/4TM to CP/CPM</td>
<td>Conversion Form and application for the new Section III</td>
</tr>
<tr>
<td>20/20M to CP/CPM</td>
<td>Conversion Form and application for the new Section I</td>
</tr>
<tr>
<td>CP/CPM to 4H/4HM</td>
<td>Conversion Form only</td>
</tr>
<tr>
<td>CP/CPM TO 4T/4TM</td>
<td>Conversion Form only</td>
</tr>
<tr>
<td>CP/CPM TO 20/20M</td>
<td>Conversion Form only</td>
</tr>
</tbody>
</table>

*If umbrella present a new Application/Rate sheet is required*

Due to the differences in policy coverages and language, the following policies are ineligable for conversions:

- 5F/5FM – Coverage E
- Country Home
- Country Squire CQ/CQM policies
HIGH-VALUED DWELLINGS

High-valued dwellings with a replacement cost in excess of $800,000 must be submitted on a trial basis.

Requirements:
Dwelling must be:
- Fully constructed by a licensed contractor; and
- Owner occupied.

Home must have a burglar alarm system, fire or smoke alarm system, dead bolt locks, and a working fire extinguisher.

Required documentation includes:
- High-Valued Dwelling Questionnaire (See FAQ Section);
- Trial application;
- Documentation of the replacement cost; and
- A memo explaining the agent’s familiarity with the client and the physical aspects of the risk.

Homes over $800,000 require interior and exterior photos to document the type of material and quality of construction, as well as custom features of the home.

Homes over $1.2 million may require an inspection by an outside inspection service that will be ordered by and paid for by Mountain West but it is a good idea to advise your client of the procedure.

A minimum $2500 deductible is required.
PROPERTY (ROOF) INSPECTIONS

Agents should inspect all properties prior to binding.

Property inspections are required in specific areas of each state. When writing properties in these counties, a property inspection will be required.

PLEASE REFER TO THE PORTAL FOR THE MOST ACCURATE UP-TO-DATE ROOF INSPECTION CHART FOR YOUR AREA

Homes that are already insured with Mountain West Farm Bureau do not need new property inspections.

A property inspection is not required when the application includes a restrictive endorsement on the roof.
Other Structures

Section I – Coverage A and Coverage E provide an automatic limit for other structures equal to 10% of the Coverage A or Coverage E dwelling. This amount also extends to materials and supplies located on the residence premises for use in construction or repair of the home and/or other structures.

Photos are required of all other structures.
The following do NOT qualify as an “other structure”:
  • If it is used for farming (except CH) or business
  • If it is rented or held for rental, unless used solely as a private garage
  • A field, corral, or pasture fences, even if attached to a dwelling
  • If it contains living quarters (kitchen, bath, and sleeping area)

The 10% limit applies to all other structures on the residence premises, not per structure.

When the amount of other structures coverage needed exceeds the automatic 10%, the Increased Limits on Other Structures endorsement (FO-20.108) can be added to cover all other structures at the location.

Guest Homes

With Living Quarters (kitchen, bath, and sleeping quarters).
  • Insure as a Coverage E structure with contents.

Without Living Quarters
  • Will be considered an “other structure.”
  • Make sure the amount extended for other structures is sufficient; if not, add Increased Limits on Other Structures (FO-20.108).
Contents coverage can be extended from the Coverage A dwelling.

Does not include rentals.

Permanent Foundations

The following are considered to be permanent foundations:
  • A continuous concrete foundation;
  • Cinder block mortared-wall; or
  • Concrete slabs with tie-downs anchored into the concrete.

Homes without the running gear completely removed do not qualify as permanent foundation.
Wood foundations are ineligible.

Updated 4/2020
Photos

A minimum of two color photos showing all sides of each structure, including Described Outdoor Property, on the premises are required, including dwellings and other structures.

Please include photos of all structures located on the property, whether insured, restricted, or self-insured, to coordinate with the diagram. This includes Dwellings, Outbuildings, Other Structures, Described Outdoor Property, Guest Houses etc.

Pier Foundations

Homes built on stilts (exposed pier foundations) cannot be written as a Coverage A Dwelling. Generally, these are seen on cabins in mountain areas. This does not include pier foundation concrete systems that manufactured/mobile homes sit on.

We will consider these types of homes as Coverage E for Peril W to eliminate the risk of freezing plumbing.

Primary Dwelling

A home qualifies as a primary dwelling when it is a one to four family dwelling occupied by the named insured and used as their principal residence. This includes duplexes and three or four-plex homes. If the structure is a multi-family dwelling, the named insured must occupy one unit of the structure.

The home must be occupied at least 9-12 months of the year by the named insured.

Secondary Dwelling

A dwelling occupied by the named insured as a secondary residence. Their primary residence must be insured with Mountain West. The home is normally occupied less than 9 months of the year by the named insured. The dwelling must be located within the states of Wyoming or Montana. (If located in Colorado please contact your underwriter.)

Personal liability must be extended from the insured’s primary policy.
Cabin

Eligible for Coverage E only – must qualify for zone guidelines
Must have the insured’s primary residence (refer to Seasonal dwelling if we do not)
Structure must be located within the states of Wyoming or Montana. (If located in Colorado please contact your underwriter.)

Seasonal Dwelling

A dwelling/cabin occupied by the named insured when we do not insure their primary dwelling.
Please refer to the Seasonal Dwelling Guidelines for qualifications.
Does not qualify if rented.

Vacation Rental

A dwelling/cabin rented out on a temporary basis as an alternative to a hotel.
Please refer to the Vacation Rental Guidelines for qualifications.

Town houses

A townhouse is a one or multi-story structure built in a row and containing one or more dwelling units.

This type of home can be written for Homeowner Coverage or Dwelling Property coverage, subject to the same rules as a conventional dwelling.
Rental Dwellings

Rental dwellings can only be written if we have the insured’s primary residence.

- Rental dwellings must have all commercial utilities

They are eligible for Coverage E only when included as part of a package policy.

The home must be located within the states of Wyoming or Montana. For rentals in Colorado – contact 360 Insurance Company Underwriters

There is a maximum of 2 rental dwellings eligible on the Personal Lines policy. If there are more than 2 rental dwellings, it may qualify on a Commercial policy. Contact Commercial Underwriters with questions per individual risk.

Updates are required on pre-1970 rentals (see Update Requirements Chart)

Rental questionnaire is required only if the dwelling is older than 20 years old.

Personal liability needs to be extended from the insured’s primary policy.
The following table is intended as a quick reference to roofing guidelines for Mountain West Farm Bureau Mutual Insurance Company. Photos clearly showing the roof and structure from all sides must accompany any submission for insurance.

### Guidelines Applicable to Zone 1 Only (No Property Inspection Required)
(Effective 10/1/2015)

<table>
<thead>
<tr>
<th>T-Lock</th>
<th>Flat 3-Tab</th>
<th>Wood Shake</th>
<th>Architectural Shingle</th>
<th>Steel, Tile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restrict</td>
<td>ACV</td>
<td>ACV**</td>
<td>RC</td>
<td>RC</td>
<td>RC</td>
</tr>
</tbody>
</table>

** - Replacement cost allowed on homes 19 years or newer. Documentation of the age of the roof is not required.

### Guidelines Applicable to Zones 2, 3, 4, 5, 6 and Zone 1 Counties where Property Inspections are required - Effective 12/1/2014

<table>
<thead>
<tr>
<th>Documented Age of Roof</th>
<th>T-Lock</th>
<th>Flat 3-Tab</th>
<th>Wood Shake</th>
<th>Architectural Shingle</th>
<th>Steel, Tile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14 years</td>
<td>Restrict</td>
<td>ACV</td>
<td>RC</td>
<td>RC</td>
<td>RC</td>
<td>RC</td>
</tr>
<tr>
<td>15-24 years</td>
<td>Restrict</td>
<td>ACV</td>
<td>ACV</td>
<td>ACV</td>
<td>RC</td>
<td>ACV</td>
</tr>
<tr>
<td>25+ years</td>
<td>Restrict</td>
<td>Restrict</td>
<td>Restrict</td>
<td>ACV*</td>
<td>ACV*</td>
<td>Restrict</td>
</tr>
</tbody>
</table>

### Roof Age
The age of the structure will be deemed to be equal to the age of the roof unless other information is provided. Roofs over 25-years-old will be restricted unless the expected life of the material exceeds 25 years. Replacement cost may be available for roofs over 15 years with required documentation.

* - Documentation is not required for Architectural, Steel and Tile shingles if over 25 years old to qualify for ACV. However, photos clearly indicating type of roofing material must accompany submission.

### General Guidelines Applicable Regardless of Zone – Effective 12/1/2014

#### Eligible Roofing Construction and Materials
The roof material must qualify under Mountain West guidelines and should be undamaged with no extreme signs of wear and tear. Roofs not in this condition, regardless of age or material must be restricted.
- Flat roofs only qualify for Peril X
Exception – Peril Z may be available for professionally installed commercial grade membrane roofs

- Roofs with a 3/12 pitch or less do not qualify for Peril Z coverage; must be written with Peril X
- Roofs with 3 or more layers of roofing material must be restricted
- Roofs with 2 or more colors of roofing material must be restricted – we cannot replace a portion of a roof

<table>
<thead>
<tr>
<th>Materials</th>
<th>Rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asphalt Shingles</td>
<td>Eligible for all Perils</td>
</tr>
<tr>
<td>Built-up/ Tar and Gravel</td>
<td>Eligible for all Perils</td>
</tr>
<tr>
<td>Rolled Roofing</td>
<td>Ineligible&lt;br&gt;*May be eligible as Coverage E, Peril V or W. To qualify for Peril X, the roof must be restricted. Please contact your underwriter.</td>
</tr>
</tbody>
</table>
| Membrane Roofs – Urethane/Rubber/Bitumen | Professional installed and sealed – eligible for all coverages.  
  • Installed by the insured or not sealed – ineligible. |
| Tile Shingles                         | Eligible for all Perils                                               |
| Flat 3-Tab                            | ACV Endorsement only                                                  |
|                                       | Over 25 years (Zone 2, 3, 4, 5, 6)– must be restricted                |
| T-Lock                                | Ineligible – Must be restricted                                       |

Acceptable Documentation (when required)

In areas where a Property Inspection is required, the property inspection indicating the age of the roof is acceptable documentation.

In areas where a Property Inspection is not required, one of the following is required:

- Receipts demonstrating when the roof was replaced
- Documentation from the contractor who replaced it (this needs to be an invoice or letterhead signed by the contractor)
- Building permit
- CLUE report showing loss payment and evidence the roof is now undamaged
- Roofing Age Certification form completed by the insured. (This form is for Wyoming policies only.)

Updated 4/2020
**Coverage Territories**

**Coverage A and Coverage E**
Mountain West Farm Bureau is licensed to write property in the states of Montana and Wyoming only. If your client owns property outside of these two states, we are unable to provide coverage to these structures.

**Coverage C**
We cover the insured’s personal property anywhere in the world; however, there is a limit of 10% of Coverage C away from premises.

Personal property located in other states should be insured through a carrier in that state.

**Vacant Dwellings/Buildings**

Only 50% of the applicable coverage applies to property that has been left vacant, unoccupied, or abandoned for six months.

**New Business:** When a dwelling or rental property is vacant, do not bind coverage.

**Existing Clients:** If you become aware of property that has been left vacant, let us know as soon as possible so we can cancel coverage.
**Updates/Upgrades**

Updates or upgrades can sometimes make the difference between an ineligible property and an eligible property. For example: Coverage E dwellings that are tenant occupied and built prior to 1970 must have updates in order to qualify for Mountain West. Additionally, updates or upgrades can qualify a property for a better rate or more coverage than a similar piece of property that has not been updated.

Please give exact dates of updates/upgrades, if available.

Home inspections will be accepted if they specify the condition of all systems.

Photos of the breaker box, furnace, and pipes help an underwriter determine if sufficient updates have been made.

Other considerations should include:
- General premises maintenance and upkeep
- Prior losses

Regardless of updates, in order to qualify for Special Form, a home must be 30 years or newer or have all updates completed within the last 30 years.

** MT only – homes older than 30 years with updates qualify for Special Form
  Type B only

**Acceptable Upgrade Documentation**
Choose one for each system:

**Plumbing**
- Photos
  - Basement/crawlspace photos of supply and waste lines and hot water heater and lines leading from it
- Inspection by licensed plumber
- Receipts/invoices of repair or replacement

**Heating**
- Photos of system – furnace, boiler, baseboard, etc.
- Inspection by licensed heating contractor
- Receipts/invoices of repair or replacement

**Electrical**
- Photos of all breaker boxes
- Inspection by licensed electrical contractor
- Receipts/Invoices of repair or replacement
## QUALIFYING UPGRADES FOR COVERAGE A AND COVERAGE E DWELLINGS

Please note:

- Special Form Coverage A dwelling must be 30 years or newer or have all updates completed within the last 30 years. Montana only – homes older than 30 years with updates only qualify for Special B.
- Peril Z Coverage E – Dwelling must be 30 years or newer regardless of updates.
- Montana only: Country Home Special Form Coverage A dwellings with Type B rates must have updates.

<table>
<thead>
<tr>
<th>System</th>
<th>System Age</th>
<th>Causes of Loss</th>
<th>Valuation Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumbing</td>
<td>Pre 1970</td>
<td>No upgrades</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimal upgrades</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>PEX or copper water lines</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Upgraded supply and waste lines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1970 or newer</td>
<td>Poor general maintenance</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of apparent upkeep</td>
<td>Yes</td>
</tr>
<tr>
<td>Heating</td>
<td>Over 30 years</td>
<td>May not be eligible; must still be in good working condition.</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>30 years or newer</td>
<td>Poor general maintenance</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of apparent upkeep</td>
<td>Yes</td>
</tr>
<tr>
<td>Electrical</td>
<td>Pre-1970</td>
<td>Rental Coverage E - Must have updates in the last 30 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1970 or newer</td>
<td>Breakers only. No fuses, cloth, knob and tube, or aluminum wiring</td>
<td>Yes</td>
</tr>
<tr>
<td>Roof</td>
<td></td>
<td>See Roofs for guidelines specific to roof eligibility</td>
<td></td>
</tr>
</tbody>
</table>
Woodstoves

When submitting business with a woodstove, include two photographs, showing the front and sides of the stove. **Barrel stoves and homemade woodstoves are ineligible.** Woodstoves in other structures, outbuildings, and farm structures must meet Underwriting Guidelines and photos must be submitted.

**Surcharge**

There is a surcharge of $60 for all *Coverage A and Coverage E dwellings* that contain a woodstove. Tenant’s policies do not receive a woodstove surcharge. A separate charge is applied to each structure that has a woodstove.

The following do not receive a woodstove surcharge:
- Fireplaces, pellet stoves, and gas inserts
- Woodstoves in other structures and outbuildings
- Outdoor woodstoves

**Requirements – Maintenance**

Be sure to verify your client:
- Uses a closed, metal container to remove ashes;
- Has a regular schedule for sweeping the pipe;
- Does not store combustibles near the stove; and
- Does not use flammable liquids to start a fire.

The most common causes of wood stove fires are the result of:
- Improper installation or
- Not cleaning the chimney on a regular basis
Requirements - Clearance

Clearance requirements (see diagram):

1. Side of unit to nearest wall = _____ inches
   36” minimum clearance is required between the stove and all combustible walls.
   ▪ If there is not a 36” clearance, the wall or ceiling must be covered by a fire-resistant protective material with at least one-inch dead air space behind the material.
   ▪ A protective heat shield would qualify.
2. Rear of unit to wall = _____ inches
   (36” minimum clearance)
3. Top of stove pipe to ceiling = _____ inches
   (18” minimum clearance)
4. Bottom of unit to floor = _____ inches
   Stoves should never have less than 2 inches of clearance from the fire box to the floor.
5. Front of unit to front edge of floor protection = _____ inches
   Floor protection must extend out at least 18 inches.

Stoves with a clearance between two and six inches must be installed on four inches of hollow masonry covered by 24-gauge sheet metal.

Zero Clearance Stoves: Specifications for zero clearance woodstoves vary depending on the make and model as well as the piping used. Verify with your client that the stove was installed to specifications.

Requirements – Stove Pipe

- If an existing fireplace chimney is used to vent the stove, it must be sealed off below the stove pipe’s point of entry to prevent toxic gases from backing into the room.
- The stove pipe should have no more than two 90-degree sweeping elbows. The horizontal position of the pipe must rise at least a minimum of ¼ inch per foot.
- If the stove pipe passes through a wall, it must pass through a thimble or collar at least twelve inches larger in diameter than the stove pipe and be made of at least 24-gauge sheet metal.
- The stove pipe on the exterior of the dwelling should extend at least three feet above the highest point where it passes through the roof and at least two feet higher than any portion of a building located within ten feet.
## PROPERTY POLICIES OFFERED

### Homeowner Policy (4H/4HM)*

<table>
<thead>
<tr>
<th>Homeowner Policy</th>
<th>4H/ 4HM</th>
</tr>
</thead>
</table>
|                   | • Must be insured’s primary residence  
|                   | • May be a one to four family dwelling |

**Required Sections**

<table>
<thead>
<tr>
<th>Section I Property</th>
</tr>
</thead>
</table>
| • Dwelling coverage (replacement cost)  
| • Personal property coverage (ACV; Replacement cost available)  
| • Special Form includes replacement cost on contents/personal property  
| • See Coverage E eligibility guidelines when adding a Coverage E dwelling |

**Section II – Personal Liability**

**Optional Sections**

| Section IV – Inland Marine  
| Section V - Umbrella |

### Mobile Homeowner Policy (4T/4TM)*

- Mobile/manufactured homes are only available on Country Squire Policy type

<table>
<thead>
<tr>
<th>Mobile Homeowner Policy</th>
<th>4T/ 4TM</th>
</tr>
</thead>
</table>
|                         | • Home must be insured’s primary residence  
|                         | • One family residence  
|                         | • Mobile home must be blocked, skirted, and connected to permanent utilities  
|                         | • Mobile home must be 12’ x 50’ or larger |

**Required Sections**

<table>
<thead>
<tr>
<th>Section I – Property</th>
</tr>
</thead>
</table>
| • Dwelling coverage (ACV)  
| • Personal Property coverage (ACV; replacement cost is available)  
| • See Coverage E eligibility guidelines when adding a Coverage E dwelling |

**Section II – Personal Liability**

**Optional Sections**

| Section IV – Inland Marine  
| Section V - Umbrella |
**Dwelling Policy (5F/5FM)**

<table>
<thead>
<tr>
<th>Dwelling Property Policy</th>
<th>5F/5FM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required Section</strong></td>
<td><strong>Section I – Property</strong></td>
</tr>
<tr>
<td></td>
<td>• Dwelling coverage (ACV; replacement cost can be added if home qualifies)</td>
</tr>
<tr>
<td></td>
<td>• Personal Property coverage (ACV; replacement cost is available)</td>
</tr>
<tr>
<td><strong>Optional Sections</strong></td>
<td><strong>Section II – Personal Liability</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Section IV – Inland Marine</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Section V - Umbrella</strong></td>
</tr>
</tbody>
</table>

*Does not include rentals/please refer also to “Zone Guidelines” for Coverage E*

These guidelines apply to Coverage E dwellings on non-package policies (5F, 4H, or 4T).

We must insure the client’s primary dwelling for the risk to be considered.

Rental dwellings will not be eligible to be added to a non-package policy.

Please consult your underwriter prior to binding a policy if you have questions regarding specific situations.

*Please note: Currently there is a moratorium on writing 5F policies. Please contact your underwriter with any questions.*
**Coverage E on New 4H, 4T, 5F Policies (DOES NOT INCLUDE RENTALS)**

Eligibility guidelines for writing a Coverage E dwelling or structure on a new 4H, 4T, or 5F policy:

<table>
<thead>
<tr>
<th>Property Claims in Last 36 Months</th>
<th>Coverage E on New 4H, 4T, 5F Policies</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dwelling or Outbuilding</td>
<td>Contents</td>
</tr>
<tr>
<td>0</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>1</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

**Example 1**

A new client coming to us with 1 claim would be eligible to add a new Coverage E dwelling in addition to a new 4H, 4T, or 5F policy with an increased deductible. Please see the eligible deductibles chart for more information.

**Coverage E on Existing 4H, 4T, 5F Policies (DOES NOT INCLUDE RENTALS)**

Eligibility guidelines for writing a new Coverage E dwelling or structure on an existing 4H, 4T, or 5F policy:

<table>
<thead>
<tr>
<th>Property Claims in Last 36 Months</th>
<th>Coverage E on Existing 4H, 4T, 5F Policies</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Client 5+ Years</td>
<td>Dwelling or Outbuilding</td>
</tr>
<tr>
<td>0</td>
<td>N/A</td>
<td>X</td>
</tr>
<tr>
<td>1</td>
<td>N/A</td>
<td>X</td>
</tr>
<tr>
<td>1</td>
<td>N/A</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>Yes</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>X</td>
</tr>
<tr>
<td>3+</td>
<td>N/A</td>
<td>X</td>
</tr>
</tbody>
</table>

**Example 1**

An existing client with 1 claim would be able to add a Coverage E to his/her existing policy with an increased deductible. Please see the eligible deductibles chart for more information.

Updated 4/2020
## PACKAGE POLICIES OFFERED

### City Squire Policy (CP/CPM)

<table>
<thead>
<tr>
<th>Required Sections</th>
<th>Required Sections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City Squire Policy</strong></td>
<td><strong>CP/CPM</strong></td>
</tr>
<tr>
<td>• Homeowner policy + Automobile policy = City Squire Package Policy</td>
<td>• Homeowner policy + Automobile policy = City Squire Package Policy</td>
</tr>
<tr>
<td>• Home must be insured’s primary residence</td>
<td>• Home must be insured’s primary residence</td>
</tr>
<tr>
<td>• One to four family residence</td>
<td>• One to four family residence</td>
</tr>
</tbody>
</table>

**Required Sections**

**Section I – Property**
- Dwelling coverage (replacement cost) Coverage A
- Personal Property coverage (ACV; replacement cost is available)
- Special Form includes replacement cost on contents

*Qualifying Coverage E Secondary dwellings/rentals can be added to the City Squire policy so clients can keep everything on one policy.*

See Coverage E eligibility guidelines when adding a Coverage E dwelling.

**Section II – Personal Liability**

**Section III – Automobile**

**Optional Sections**

**Section IV – Inland Marine**

**Section V - Umbrella**

---

Updated 4/2020
### Country Home Policy (CQ/CQM)

<table>
<thead>
<tr>
<th>Country Home Policy</th>
<th>CQ/CQM</th>
</tr>
</thead>
</table>
| • Special or Deluxe – Forms A or B  
• Acreage with incidental farm or ranch exposure  
• Home must be insured’s primary residence |

#### Required Sections

<table>
<thead>
<tr>
<th>Section I – Property</th>
</tr>
</thead>
</table>
| • Dwelling coverage (replacement cost)  
• Personal Property coverage (ACV; replacement cost is available)  
• Special Form includes replacement cost on contents/personal property  
• $10,000 automatic Unscheduled Farm Personal Property (blanket) coverage |

#### Section II – Farm and Personal Liability

#### Optional Sections

| Section III – Automobile  
Section IV – Inland Marine  
Section V - Umbrella |

### Country Squire Policy (CQ/CQM)

<table>
<thead>
<tr>
<th>Country Squire Policy</th>
<th>CQ/CQM</th>
</tr>
</thead>
</table>
| • “Farm and Ranch Policy”  
• Acreage required  
• Property required  
• Income is primarily from farm or ranch |

*See the Country Squire tab of the manual*

#### Required Sections

<table>
<thead>
<tr>
<th>Section I – Property</th>
</tr>
</thead>
</table>
| • Dwelling coverage  
• Coverage A : replacement cost  
• Coverage E : ACV; replacement cost is available  
• Special Form includes replacement cost on contents/personal property |

#### Section II – Farm and Personal Liability

#### Optional Sections

| Section III – Automobile  
Section IV – Inland Marine  
Section V - Umbrella |
HOMEOWNER POLICY FORMS

Mountain West offers four forms of Homeowner (4H) policies to insure a client’s primary residence and personal property (Section I).

- Standard Form
- Deluxe Form
- Special Form
- Tenants Coverage

Standard Form Policy – Form 2

The Standard Form policy provides “Named Peril” coverage for the dwelling and personal property. Replacement cost coverage applies to the dwelling, up to the Coverage A (dwelling) amount of insurance. The policy automatically provides personal property (contents) insurance equal to 50% of the Coverage A amount of insurance showing for the dwelling. The personal property is written on an Actual Cash Value (ACV) basis. Replacement cost contents coverage may be purchased with endorsement FO-20.113, which will automatically increase the contents limit to an amount equal to 70% of the dwelling value or $20,000, whichever is greater. Contents limits may be increased beyond this limit by endorsement, if necessary.

<table>
<thead>
<tr>
<th>Peril</th>
<th>X – Named Perils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Structures</td>
<td>10% of Coverage A</td>
</tr>
<tr>
<td>Loss of Use – Coverage B</td>
<td>20% of Coverage A or Coverage C</td>
</tr>
<tr>
<td>Contents – Coverage C</td>
<td>50% of Coverage A without replacement cost</td>
</tr>
<tr>
<td></td>
<td>70% of Coverage A with replacement cost</td>
</tr>
</tbody>
</table>
Deluxe Form Policy – Form 3

The Deluxe Form policy provides “special coverage” protection on the dwelling and “Named Peril” coverage on personal property. Replacement cost coverage applies to the dwelling, up to the Coverage A (dwelling) amount of insurance. The policy automatically provides personal property (contents) insurance equal to 50% of the Coverage A amount of insurance showing for the dwelling. The personal property is written on an Actual Cash Value (ACV) basis. Replacement cost contents coverage may be purchased with endorsement FO-20.113, which will automatically increase the contents limit to an amount equal to 70% of the dwelling value or $20,000, whichever is greater. Contents limits may be increased beyond this limit by endorsement, if necessary.

<table>
<thead>
<tr>
<th>Peril</th>
<th>Z – “All Risk” Special Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Structures</td>
<td>10% of Coverage A</td>
</tr>
<tr>
<td>Loss of Use – Coverage B</td>
<td>20% of Coverage A or Coverage C</td>
</tr>
<tr>
<td>Contents – Coverage C</td>
<td>50% of Coverage A without replacement cost</td>
</tr>
<tr>
<td></td>
<td>70% of Coverage A with replacement cost</td>
</tr>
</tbody>
</table>

Special Form Policy – Form S

The Special Form policy provides “special coverage” protection on the dwelling and “Named Peril” coverage on personal property. Extended replacement cost coverage applies to the dwelling, allowing up to 125% of the Coverage A (dwelling) amount of insurance when the loss to the dwelling exceeds the amount of insurance shown on the Declarations. The policy automatically provides personal property (contents) insurance equal to 75% of the Coverage A amount of insurance showing for the dwelling. The contents coverage may be increased.

<table>
<thead>
<tr>
<th>Peril</th>
<th>Z – “All Risk” Special Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Structures</td>
<td>10% of Coverage A</td>
</tr>
<tr>
<td>Loss of Use – Coverage B</td>
<td>20% of Coverage A or Coverage C</td>
</tr>
<tr>
<td>Contents – Coverage C</td>
<td>75% of Coverage A is automatic</td>
</tr>
<tr>
<td>Endorsements Included</td>
<td>FO-20.137 – Backup of Sewer or Drain</td>
</tr>
<tr>
<td></td>
<td>FO-20.134 – Building Ordinance or Law</td>
</tr>
</tbody>
</table>

- Homes listed on National Historic Registry are not eligible for Special Form, these must be written with the Modified Replacement Cost.
Tenants Form Policy – Form 4

The Tenants policy provides “Named Peril” coverage on the personal property of the insured who does not own their place of residency. The minimum amount of coverage offered is $20,000. Replacement cost contents coverage may be added.

<table>
<thead>
<tr>
<th>Peril</th>
<th>X – Named Perils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Structures</td>
<td>N/A</td>
</tr>
<tr>
<td>Loss of Use – Coverage B</td>
<td>20% of Coverage C</td>
</tr>
<tr>
<td>Additional Living Expense – Coverage B</td>
<td>20% of Coverage C</td>
</tr>
</tbody>
</table>

Coverage E (Reference guidelines for Coverage E)

Coverage E is designed to insure secondary residences, cabins, rental properties.

<table>
<thead>
<tr>
<th>Peril</th>
<th>V, W, X, or Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Structures</td>
<td>10% of Coverage E</td>
</tr>
<tr>
<td>Loss of Use – Coverage B</td>
<td>N/A</td>
</tr>
<tr>
<td>Contents</td>
<td>Must be added separately</td>
</tr>
</tbody>
</table>

Rules for Peril Z on Coverage E:

- Dwelling must meet Upgrade Requirement Chart
- Dwelling must be 30 years or newer to qualify regardless of updates.
- Modular homes must be 15 years or newer. Upgrades are not taken into consideration to qualify.
- Must be insured to 100% cost to replace.
- May be owner or tenant occupied.
- Must meet Dwelling Requirements – Coverage E guidelines

Coverage E Insuring to value Chart:

Use the below chart for coverage E and outbuildings minimum insurance to value requirements

<table>
<thead>
<tr>
<th>Peril V (utility value)</th>
<th>Peril W</th>
<th>Peril X</th>
<th>Peril Z</th>
<th>Peril X or Z With RC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured under 50%</td>
<td>Insured 50-80%</td>
<td>Insured up to 80%</td>
<td>Insure to 100%</td>
<td>Insure to 100%</td>
</tr>
</tbody>
</table>

Updated 4/2020
POLICY OPTIONS – HOMEOWNER

Step One: Determine which Peril and policy form the dwelling qualifies for.

Options:
- Special Form
- Deluxe Form
- Standard Form

Step Two: Specific characteristics, including age, amount of insurance, protection class, etc., determine the type and rate to be used.

Options:
- Type A rates
- Type B rates
- Type C rates

<table>
<thead>
<tr>
<th>Policy Form/Type</th>
<th>Dwelling Peril</th>
<th>Contents Peril</th>
<th>Age</th>
<th>Minimum Policy Amt.</th>
<th>Fire Protection</th>
<th>Inflation Guard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special A</td>
<td>Z</td>
<td>X</td>
<td>30 years or newer ** (no updates allowed in MT)</td>
<td>$125,000</td>
<td>1-9</td>
<td>Yes</td>
</tr>
<tr>
<td>Special B</td>
<td>Z</td>
<td>X</td>
<td>30 years or newer*</td>
<td>$125,000</td>
<td>1-9</td>
<td>Yes</td>
</tr>
<tr>
<td>Deluxe Form/Type A</td>
<td>Z</td>
<td>X</td>
<td>35 years or newer*</td>
<td>$75,000</td>
<td>1-10</td>
<td>Yes</td>
</tr>
<tr>
<td>Deluxe Form/Type B</td>
<td>Z</td>
<td>X</td>
<td>45 years or newer*</td>
<td>$65,000</td>
<td>1-10</td>
<td>Yes</td>
</tr>
<tr>
<td>Deluxe Form/Type C</td>
<td>Z</td>
<td>X</td>
<td>N/A</td>
<td>$40,000</td>
<td>1-10</td>
<td>No</td>
</tr>
<tr>
<td>Standard Form/Type A</td>
<td>X</td>
<td>X</td>
<td>35 years or newer*</td>
<td>$75,000</td>
<td>1-10</td>
<td>Yes</td>
</tr>
<tr>
<td>Standard Form/Type B</td>
<td>X</td>
<td>X</td>
<td>45 years or newer*</td>
<td>$65,000</td>
<td>1-10</td>
<td>Yes</td>
</tr>
<tr>
<td>Standard Form/Type C</td>
<td>X</td>
<td>X</td>
<td>N/A</td>
<td>$40,000</td>
<td>1-10</td>
<td>No</td>
</tr>
<tr>
<td>Tenants</td>
<td>N/A</td>
<td>X</td>
<td>N/A</td>
<td>$20,000</td>
<td>1-10</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Homes older than the specified age may qualify for this coverage if all updates and upgrades have been completed. For further information, see the Updates/Upgrades section of this manual.

** WY only – will consider updates
MODULAR HOMES - POLICY OPTIONS

Modular on Permanent Foundation - 25 years old or newer

The home must be on land owned by the insured and on a permanent foundation, which includes a continuous concrete foundation, cinder block mortared-wall, or concrete slabs with tie-downs anchored into the concrete. Cinder blocks only do not qualify as a permanent foundation.

Homes without the running gear completely removed do not qualify as being set on a permanent foundation.

Manufactured homes over 15-years old do not qualify for Country Home, even if we insured the previous owner (Deluxe A&B).

_Homes must meet minimum standards for policy form and type chosen._

<table>
<thead>
<tr>
<th>Age</th>
<th>Policy Form</th>
<th>Type</th>
<th>Construction Type</th>
<th>Policy Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 years old or newer</td>
<td>Deluxe</td>
<td>A</td>
<td>Frame</td>
<td>4H, City Squire, Country Squire, and Country Home</td>
</tr>
<tr>
<td>11 to 15 years old</td>
<td>Deluxe</td>
<td>B</td>
<td>Frame</td>
<td>4h, City Squire and Country Squire, Country Home</td>
</tr>
<tr>
<td>16 to 25 years old</td>
<td>Standard</td>
<td>C</td>
<td>Frame</td>
<td>4H, City Squire and Country Squire</td>
</tr>
</tbody>
</table>

Modular on Permanent Foundation – 26 years old or older

Submit make, model, and serial number if available.

Two photographs showing all sides of the home is required.

<table>
<thead>
<tr>
<th>Age</th>
<th>Policy Form</th>
<th>Construction Type</th>
<th>Policy Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 years old or older</td>
<td>Coverage E</td>
<td>Frame</td>
<td>Coverage E on City Squire, Country Squire, 5F, or Country Home</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><em>May be available on a qualifying 4H or 4T with supporting Automobile Business</em></td>
</tr>
</tbody>
</table>
MOBILE HOMES - POLICY OPTIONS

- Only Available on Country Squire Policy type

Double-Wide on Permanent Foundation - 15 years old or newer

The home must be on land owned by the insured and on a permanent foundation, which includes a continuous concrete foundation, cinder block mortared-wall, or concrete slabs with tie-downs anchored into the concrete.

Homes without the running gear completely removed do not qualify as being set on a permanent foundation.

Manufactured homes over 15-years old do not qualify for Country Home, even if we insured the previous owner.

Submit make, model, and serial number for all mobile homes.

Two photos showing all sides of the home required.

A single-wide on a permanent foundation does not qualify for frame rates.

Mobile homes are adjusted based on the actual cash value (ACV), which is the cost to replace the damaged item less depreciation.

Tenant occupied mobile homes over 20 years old should be written Peril W.

Park model mobile homes may qualify – contact your underwriter.

Homes must meet minimum standards for policy form and type chosen.

<table>
<thead>
<tr>
<th>Age</th>
<th>Policy Form</th>
<th>Type</th>
<th>Construction Type</th>
<th>Policy Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 years old or newer</td>
<td>Deluxe</td>
<td>A</td>
<td>Frame</td>
<td>Country Squire</td>
</tr>
<tr>
<td>11 to 15 years old</td>
<td>Deluxe</td>
<td>B</td>
<td>Frame</td>
<td>Country Squire</td>
</tr>
</tbody>
</table>

Updated 4/2020
### Double-Wide on Permanent Foundation - 16 years old or older

<table>
<thead>
<tr>
<th>Age</th>
<th>Form</th>
<th>Type</th>
<th>Construction Type</th>
<th>Policy Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 + years</td>
<td>Coverage E only</td>
<td>N/A</td>
<td>Frame</td>
<td>Country Squire</td>
</tr>
</tbody>
</table>

### Double-Wide Not on Permanent Foundation and Single-Wide

<table>
<thead>
<tr>
<th>Age</th>
<th>Policy Form</th>
<th>Type</th>
<th>Construction Type</th>
<th>Min Policy Amt</th>
<th>Policy Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 years old or newer</td>
<td>Standard A</td>
<td>Mobile</td>
<td>$15,000</td>
<td>Country Squire</td>
<td></td>
</tr>
<tr>
<td>11 to 15 years old</td>
<td>Standard B</td>
<td>Mobile</td>
<td>$10,000</td>
<td>Country Squire</td>
<td></td>
</tr>
<tr>
<td>16 to 20 years old</td>
<td>Standard C</td>
<td>Mobile</td>
<td>$5,000</td>
<td>Country Squire</td>
<td></td>
</tr>
</tbody>
</table>

### Single-Wide and Double-Wide – 21 years old or older

<table>
<thead>
<tr>
<th>Age</th>
<th>Policy Form</th>
<th>Construction Type</th>
<th>Policy Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978 or newer</td>
<td>Coverage E</td>
<td>Mobile</td>
<td>Country Squire</td>
</tr>
<tr>
<td>1977 or older</td>
<td>No policy coverage offered</td>
<td>N/A</td>
<td>Ineligible – Contact brokerage</td>
</tr>
</tbody>
</table>
Additional information on mobile homes:

A mobile home depreciation estimator is REQUIRED and available on Portal under Forms and Manuals.

Any additions built onto the mobile home, other than porches or decks, must be thoroughly inspected by the agent and must meet the following requirements:
- The plumbing, heating, and electrical systems must be separate from the systems servicing the mobile home.
- The roof between the addition and the mobile home must be continuous and not simply butted together and sealed.

Mobile Homes in Transit

Mobile homes or manufactured homes being moved and in transit are not covered by Mountain West Farm Bureau. Please contact Foremost for “trip coverage” during the moving process.

Coverage does not exist until the mobile or manufactured home is connected to all utilities. In some cases, you can add Temporary Manufactured Home Coverage on Insured Location (FO-20.154) – please see the memo under the endorsement.
Country Home Coverages

The Country Home policy is designed to provide property, personal and farm liability, automobile, and umbrella coverages for homeowners located on 100 acres or less who enjoy country living and may have some farm and ranch exposure but primarily derive their income from sources other than farming or ranching.

Automobile coverage may be included in the Country Home package policy; however, it is not necessary to include Section III Automobile in order to write a Country Home policy.

Automobiles with farm rates do not qualify for a Country Home policy.

Inland Marine coverage may be added to the Country Home policy if additional coverage is required on certain scheduled items. Property insured under Inland Marine is excluded from coverage under Section I – Coverage D of this policy. (Refer to the Inland Marine section of this manual.)

Standard Country Home Coverages include:

- Dwelling Coverages
  - Other structure Coverage
  - Farm Structure Coverage
- Personal Property
- Farm Personal Property
- Outbuildings
- Personal and Farm Liability

Advantages of Country Home

The Country Home package policy includes several coverages that are built in automatically.

- Provides farm liability in addition to personal liability.
- Provides an automatic $10,000 of unscheduled blanket coverage on farm personal property, which may be increased using unscheduled farm personal property rates (D-1) from the Country Squire Optional Coverages Section.
- Limited coverage may be added to certain outbuildings that do not qualify under the Homeowner policy.
- 5% premium discount when certain requirements are met.
- Replacement cost contents applies at no additional premium: 70% of Coverage A on Deluxe Form and 75% of Coverage A on Special Form.
Eligibility

- May be written on Type A&B dwellings only (Special or Deluxe Form).
- Farm and ranch exposure must be incidental with annual gross sales limited to $10,000 or less.
- Unattached private garages, storage sheds or farm structures in good condition are eligible as other structures. (Business use excluded)
- Manufactured homes 15 years old or newer qualify for the Country Home program.
- Automobiles with farm rates do not qualify for the Country Home program.

Coverages

The Country Home offers two Section I coverage forms and each is distinct in the property coverages offered. Personal liability and medical payments coverage will be the same no matter which of the two are written, although the limits may be increased to suit individual needs. The two forms offered are:

Deluxe Form

“Special coverage” protection (Peril Z) on the dwelling
- Replacement Cost is written on the dwelling.

“Named Peril” coverage (Peril X) on personal property
- Replacement cost on personal property at an amount of 70% of the dwelling limits with no additional premium.

Special Form

“Special coverage” protection (Peril Z) on the dwelling
- Provides extended replacement cost on the dwelling. We will provide an additional amount of insurance up to 25% of the Coverage A limit if the dwelling is insured to 100% of replacement cost at the time of a total loss.

“Named Peril” coverage (Peril X) on personal property
- Replacement cost is also provided on personal property at an amount of 75% of the dwelling limits with no additional premium charged.
Country Home Coverage D – Farm Personal Property

Country Home policies provide an automatic $10,000 of coverage for Unscheduled Farm Personal Property (Blanket). This includes:

- Hay, grain, straw, fodder, and silage;
- Livestock;
- Borrowed mobile agricultural machinery;
- Rented or leased mobile ag equipment;
- Cleanup and removal of pollutants;
- Magnetic recording or storage media; and
- Portable buildings and structures.

Unscheduled Farm Personal Property is covered by Perils 1-10 and 19-24.

- Hay, grain, straw, fodder, and silage = Peril V only

You can increase the amount of the Unscheduled Farm Personal Property (Blanket) for an additional premium. If Unscheduled Farm Personal Property is increased above the $10,000 amount included on the policy, only the amount above $10,000 will be subject to the 80% coinsurance requirement.

*Example: Any loss up to $10,000 will be paid to 100% less the deductible. Any loss in excess of $10,000 will be subject to the coinsurance clause as specified in the policy.*

Farmer’s Market & Community Supported Agriculture Coverage:

Farmer’s Markets: Local Markets that sell their ag products directly to customers (fruits, veggies, eggs & cheeses).

Community Supported Agriculture (CSA): Food production and distribution system that directly connects farmers and consumers. People can buy “shares” of a farm’s harvest in advance and receive a portion of the crop as they’re harvested.

Requirements:

- Add Incidental Business Activity FO-30.104
  - Misc. class, premium group 6
  - Description = Farmers Market or CSA
  - Endorsement must remain on policy for the full policy term

Ineligible Risks:

- Farm-to-Table- ON PREMISES (Allows for guests to come to the local farm/ranch and enjoy a meal prepared using the farm products [including livestock] raised on the insured location)
- Any Meat Processing- We cannot accommodate a client that processes/butchers their own meat.
Country Home Optional Coverages

Increased Stack Limits Hay, Straw, and Fodder (FO-20.150)

This optional coverage increases the $30,000 minimum stack limit automatically included for Coverage D. Refer to the Country Squire section of this manual for more information on increased stack limits.

Agri-Choice Enhancement (FO-20.153)

This endorsement provides additional coverage under the Coverage D – Unscheduled Farm Personal Property in Country Home or Country Squire Policies.

Coverage D – Unscheduled Farm Personal Property blanket coverage is required to add this endorsement.

Refer to the Country Squire section of this manual for more information on the Agri-Choice Enhancement.

Boarding and Training of Horses (FO-30.115)

Business activities are excluded under the liability and premises medical portions of the contract, which includes the business of boarding and training horses. The Boarding and Training of Horses endorsement can be added to provide coverage for the use and occupancy of the insured location to board and train horses.

Coverage applies to those people who use the insured's location to board their horses.

Coverage does not apply to:
- Riding instruction.
- Renting or leasing horses.
- Rodeos, contests, or horse shows (including practicing for such).
- Operations of a horse sale, auction, veterinary stable, livery stable, dude ranch or racing stable.

Injury to horses of others in the care, custody, or control of the insured is excluded.
- No coverage exists for accidents due to bad hay, fodder, etc.

Premium is based on:
- Number of horses;
- Are horses being ridden on premises; and
- Whether the insured is only boarding the horse(s) or training horses as well.
### Optional Property Coverages

<table>
<thead>
<tr>
<th>Optional Endorsements</th>
<th>4H</th>
<th>4T</th>
<th>5F</th>
<th>5F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Liability</td>
<td>W/ Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-20.101 Additional Interest Property</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.103 Residence Glass</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.105 Earthquake Damage Assumption</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.108 Increased Limits Other Structures</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.109 Increased Special Limits – Jewelry</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>Yes with contents</td>
</tr>
<tr>
<td>FO-20.110 Increased Special Limits – Firearms</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>Yes with contents</td>
</tr>
<tr>
<td>FO-20.112 Vendors Single Interest Mobile Homeowners</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.113 Replacement Cost – Personal Property</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.114 Townhouse</td>
<td>X</td>
<td>No*</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.115 Townhouse – Special Coverage</td>
<td>X</td>
<td>No*</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.116 Loss Assessment – Condominium Owners</td>
<td>X</td>
<td>No*</td>
<td>No</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.117 Identity Theft Expense Coverage</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.120 Mobile Home Flood Coverage Extension</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.122 Course of Construction</td>
<td>X</td>
<td>No*</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.123 Contract of Sale</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.124 Premises Alarm or Fire Protection System</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.129 Rental Value Endorsement</td>
<td>X*</td>
<td>X*</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.133 Merchandise Held as Sample or For Sale</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.134 Building Ordinance or Law</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.134E Building Ordinance or Law</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.135 Modified Replacement Cost</td>
<td>X</td>
<td>No*</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.136 Dwellings Under Construction</td>
<td>X</td>
<td>No*</td>
<td>No</td>
<td>X</td>
</tr>
</tbody>
</table>

 Applies to City Squire, Country Squire, and Country Home policies
*These endorsements may be added to Coverage E properties insured on the policy

Updated 4/2020
<table>
<thead>
<tr>
<th>Optional Endorsements, continued</th>
<th>4H</th>
<th>4T</th>
<th>5F No Liability</th>
<th>5F W/ Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>FO-20.137 Backup of Sewer or Drains</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.140 Replacement Cost–Coverage E Buildings</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.144R Actual Cash Value Roofing Loss Settlement</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.154 Temporary Manufactured Home Coverage on Insured Location</td>
<td>X*</td>
<td>X*</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.156 Seasonal Occupancy</td>
<td>No</td>
<td>No</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.158 ACV Siding Loss Settlement</td>
<td>X</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-20.159 Windstorm or Hail Copay Deductible</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-20.160 Windstorm or Hail Percentage Deductible</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*These endorsements may be added to Coverage E properties insured on the policy

*These endorsements may be added to Coverage E properties insured on the policy

Applies to City Squire, Country Squire, and Country Home policies
OPTIONAL COVERAGES - PROPERTY

Please refer to the policy for actual language.

Coverage B – Additional Living Expense – Increased Limits

This endorsement allows the client to increase the amount of Additional Living Expense when the client’s needs exceed the basic policy limit, which is equal to 20% of the Coverage A dwelling or tenants coverage.

Coverage C – Personal Property – Increased Limits

This endorsement allows the client to increase the amount of Personal Property – Coverage C when their needs exceed the given amount.

The Standard and Deluxe policies automatically provide 50% of the Coverage A dwelling amount towards the insured’s Personal Property – Coverage C. This amount is increased to 70% of the Coverage A dwelling amount if the client selects replacement cost coverage on contents (FO-20.113).

Special Form policy automatically provides 75% of the Coverage A dwelling amount towards the insured’s Personal Property – Coverage C.
Described Outdoor Property (FO-10.130)

This endorsement provides the desired coverage for miscellaneous items in Section I that do not qualify under the definition of a “dwelling”, “outbuilding”, “other structure”, or “farm personal property”. Covered property is all outdoor property shown in the Declarations. *If it is not shown in the Declarations is not covered.* Examples include:

- A permanent archway into the entrance of a driveway.
- Field or pasture fencing.
- Detached solar panels (not part of the farming operation).

Windmills/Wind Turbines/Towers only qualify for Peril V if they are owned by the insured and used *solely* to power the insured’s structures on the premises.

- Commercial windmills used to provide power for a grid *do not qualify.*
  - This includes personal windmills that sell power back to the grid.
- Pasture field windmills *do not qualify.*

Described Outdoor Property is adjusted on actual cash value (ACV) or the amount to repair or replace the property, whichever is less.

When debris removal expense exceeds the limit of liability for the damaged property, we will pay the lesser of:

- An additional 5% of the Coverage E – Described Outdoor Property limit or,
- $2,500 per occurrence.

Photos are required

Available Deductibles:
- $250
- $500
- $1,000
- $2500
- $5000
- $10,000

**Additional Interests – Property (FO-20.101)**

When the named insured is *not* the only one listed on the deed to the property being insured, we need to add the other parties having a financial interest in the property for Additional Interests.

Include the name and address of the other parties who have an insurable interest since this endorsement treats them like an insured under Section I – Property.

No additional premium is charged for this endorsement.
Residential Glass Endorsement (FO-20.103)

This endorsement allows the deductible to be waived for a covered loss to residential glass.

Condo Unit Owner’s Building Property policies qualify.

Not available on Tenants or Coverage E contents policy types.

Earthquake Damage Assumption (FO-20.105)

The Peril of earth movement is excluded by policy language. This endorsement is designed to provide limited coverage for direct loss caused by earthquake to property described in Section I – Property. This endorsement will only pay for damages that exceed the deductible percentage selected.

One or more earthquake shocks that occur within a seventy-two (72) hour period shall constitute a single earthquake.

A 30-day moratorium is immediately put into effect in the area located within 50 miles of the epicenter of an earthquake measuring greater than 4.0 on the Richter scale.

Premium is based on age and construction of dwelling and the deductible selected.

This coverage can be added to Coverage A, Coverage C or Coverage E, including a tenant’s policy.

Deductible options include:

- 5%
- 10%
- 15%
- 20%
- 25%

**This coverage cannot be tied to the Townhouse & Condominium Unit Owners endorsements FO-20.114 or FO-20.115.**
Other Structures – Increased Limits (FO-20.108)

Section I – Coverage A and Coverage E provide an automatic limit for other structures equal to 10% of the Coverage A or Coverage E dwelling. This endorsement is added when the replacement cost for all other structures is more than the 10% given.

The 10% limit applies regardless of the number of other structures on the premises. This includes Farm Structures on a Country Home policy. Business use excluded.

Photographs are required of all other structures/farm structures.

Increased Special Limit – Jewelry, Watches, Furs, and Precious and Semi-Precious Stones (FO-20.109)

The policy limits coverage for loss by theft to jewelry, watches, furs, and precious and semi-precious stones to $3,000. This endorsement increases that limit to $5,000, subject to a limit of $1,000 per item.

This endorsement does not increase the limit of liability for Personal Property – Coverage C.

Premium Applies

Increased Special Limit – Firearms (FO-20.110)

The policy limits coverage for loss by theft to firearms and related equipment to $2,500. This endorsement increases that limit to $5,000, subject to a limit of $2,500 per item.

This endorsement does not increase the limit of liability for Personal Property – Coverage C.

Premium Applies

Updated 4/2020
Mobile Home Lienholder’s Single Interest (FO-20.112)
Only Available on Country Squire Policy type

This endorsement will provide limited coverage for a lienholder’s single interest, which protects their interest or the interest of the assignee in the mobile home that is listed on our policy Declarations.

Premium Applies

Replacement Cost Coverage C/ Personal Property (FO-20.113)

This endorsement is designed to change the coverage for Personal Property – Coverage C to replacement cost rather than actual cash value (ACV).

This endorsement is automatic (at no charge) on Special Form and on Tenant’s Policies.

Can be added to contents in qualifying Coverage A and Coverage E dwellings.

Requires $20,000 minimum contents.

Townhouse and Condominium Unit Owners Building Property (FO-20.114) and Townhouse and Condominium Unit Owners Building Property – Special Coverage (FO-20.115)

Townhouses and condominiums are unique in that an association is normally responsible for insuring the structure while each unit owner insures only that portion of the structure that is inclusive to their particular unit. This includes items that are part of the structure and considered real property such as cabinets, sheetrock, lighting fixtures, etc.

A tenants policy is written to cover the insured’s Personal Property – Coverage C and add either FO-20.114 or FO-20.115 to cover that portion of the structure that is inclusive to their unit. Keep in mind property such as furniture and most appliances should be insured as Personal Property – Coverage C.

Both endorsements provide coverage limited to $5,000. No additional premium is charged for Peril X; $5.00 per year is charged for Peril Z.

The limit may be increased by $1,000 increments for an additional charge.

Please note: When adding either of the above endorsements, a copy of the Condo Association by-laws will be required.
### Loss Assessment – Condo Unit Owner Coverage (FO-20.116)

When the insured is a member of a condominium or a homeowners association, they have a potential risk exposure for property and liability losses that occur on the common grounds of the premises owned by the association. Because of this, they may be assessed a portion of a loss that occurs on this common property. Coverage may be purchased for the insured’s portion of an assessment against all of the members of the association.

Can only be added to policies that provide personal liability.

Premium Applies
Identity Theft Expense Coverage (FO-20.117)

This endorsement provides a limit of $15,000 for losses or expenses arising out of Identity Theft to any one insured including:

- Notarizing affidavits or similar documents.
- Certified mail to law enforcement, credit agencies, and financial institutions.
- Lost income.
  - Maximum of $200 per day, not to exceed $5,000 in total.
- Loan re-application fees.
- Reasonable attorney fees.
- Long distance telephone calls to merchants, law enforcement agencies, or credit grantors.

This coverage is added at policy level and applies to all insureds. (It should only be added once per policy.)

No deductible applies to this coverage.

Premium Applies
This endorsement can be added to any policy with an owner-occupied home.

Reporting Claims for Identity Theft Expense Coverage
To report claims, the insured needs to call 877-742-9991. The representative will gather necessary information and put the insured in touch with the appropriate parties. This number is to be used only for Identity Theft claims.

Do not submit the claim through claim submissions as these claims are handled through a different process than our standard claims.
Mobile Home Flood Coverage Extension (FO-20.120)

Only Available on Country Squire Policy type

The Peril of “Flood and other water rising from outside the mobile home” is added to the language for Peril 3 “Windstorm and Hail.”

This endorsement is automatic when the construction code is Mobile (“M”).

No additional premium is charged for this endorsement.

Course of Construction (FO-20.122)

This endorsement provides a deviation in premium at the time your client begins building a new home. *This coverage cannot be added to modular or mobile homes.*

Coverage must be added to the policy prior to construction progressing beyond the foundation. When construction has progressed beyond the foundation, we may only write the dwelling as coverage E on a package policy or a qualifying 4H or 4T with supporting Automobile coverage, without this endorsement.

Photos are required when home is being built in Protection class 9 or 10 to verify defensible zone.

The amount of insurance on the dwelling must be 100% of the completed value of the new home.

- If the construction costs exceed the amount of insurance during the course of construction, please increase the amount of insurance as soon as possible so the client is not left underinsured in the event of a total loss.
- 20% premium deviation when added to a Homeowner policy.
- 45% premium deviation when added as Coverage E to a Dwelling Property policy.

Earthquake Damage Assumption Endorsement FO-20.105 may be added to homes under construction.

No other discounts apply when this endorsement is added to the dwelling (new home credit, home alert, hail resistive roofing discount, etc.).

Endorsement must be removed when the home is occupied or within one year, whichever is sooner.

- **Upon completion:**
  - Photos of the finished home are required.
  - If the home has a woodstove, the surcharge needs to be added to the policy.

Updated 4/2020
Contract of Sale Clause (FO-20.123)

When property is being sold or purchased under a Contract of Sale, the insurance coverage must be written in the name of the buyer, who is also the owner-occupant of the dwelling.

Designate the seller by name and mailing address on the Supplemental Endorsement Application under endorsement FO-20.123. This will add the Contract for Sale clause to the policy protecting the interest of the seller.

This endorsement does not provide liability for the seller. The seller will need to extend liability from their own policy.

In order to add this endorsement, there must be a signed, legal Contract for Sale between the seller and buyer. Rent-to-own situations do not qualify.

No additional premium is charged for this endorsement.

Coverage Restriction Endorsement (FO-20.128)

This endorsement removes the company’s liability for loss or damage to the specified items or structures listed on the endorsement.

Typically used when the dwelling has deteriorated. This could include an old roof and/or chipped siding, paint, or trim (See FAQ Section).

Rental Value Endorsement (FO-20.129)

This endorsement will provide coverage for the fair rental value of the described dwelling subject to a limit shown in the Declarations.

Options are for three, four, or six months of coverage.

This endorsement is rated according to the monthly amount charged for rent.

• Example: Three months at $750 per month may be a total of $2,250 in coverage.

This endorsement would not be necessary for a basement apartment in a Coverage A Dwelling, as the coverage would be provided through Loss of Use (Coverage B) on the Dwelling.
Merchandise Held as Sample or For Sale (FO-20.133)

This endorsement extends Coverage C – Personal Property to include coverage for merchandise held as sample or for sale in the described dwelling or other structures located on the residence premises.

Examples of use include:
- Avon representatives
- Mary Kay distributors

Available Coverage limits include:
- $2,500
- $5,000

Annual premium based on deductibles and coverage limits.

Building Ordinance or Law (FO-20.134/ FO-20.134E)

The Homeowner policy excludes losses that arise from Ordinance or Law. This endorsement is intended to provide a limited amount of coverage for this exposure. The amount of coverage provided is a percentage of the Coverage A or Coverage E dwelling amount shown on the Declarations.

Special Form policies automatically include 10% coverage.

This endorsement is available for Coverage A or Coverage E dwellings.

Limits Available:
- 10%
- 25%
- 50%

The deductible always applies to covered losses under this endorsement.
Modified Replacement Cost Endorsement (FO-20.135)

This endorsement changes the language under the loss settlement portion of the policy. It allows the loss adjustment to include commonly used materials that are readily available.

The use of this endorsement is encouraged on homes built prior to 1955, where custom-designed interior trim work, lathe and plaster walls, and leaded glass were commonly used.

This endorsement is used on Standard and Deluxe policies only. No additional premium for this endorsement.

Required to be listed on any home listed on the National Historic Registry.

Dwelling Under Construction (FO-20.136)

This endorsement provides Coverage C - Personal Property and Section II – Personal/Premises Liability to an insured’s temporary residence while waiting for their dwelling under construction to be completed.

*Can only be used in conjunction with Course of Construction Endorsement FO-20.122.*

Requires insured’s temporary address.

Coverage ceases when the home is occupied or within one year, whichever is sooner.

No additional premium is charged for this endorsement.

Backup of Sewer or Drain (FO-20.137)

The Homeowner policy excludes losses that arise from backup of sewer or drains. This endorsement is intended to provide a limited amount of coverage for this exposure, either $5,000 or $10,000.

Special Form policies automatically include $5,000 coverage for no additional premium.

Coverage Amounts Available:
- $5,000
- $10,000

Coverage A or Coverage C deductible always applies to covered losses under this endorsement.

Updated 4/2020
**Replacement Cost – Coverage E Buildings (FO-20.140)**

Coverage E buildings are written on an actual cash value (ACV) basis. The Replacement Cost – Coverage E endorsement alters the policy language from ACV to replacement cost.

Requirements:
- The structure must be constructed with techniques commonly used today including materials currently available.
- The building must be well maintained and in good condition including the roof, siding, and foundation. Updates are required.
- The building must be insured to 100% replacement cost.
- Dwelling/outbuilding must qualify for Perils X or Z

Premium Applies

**Extended Replacement Cost (FO-20.142)**

*Special Form Only*

This is an automatic endorsement for Special Form policies. This endorsement is designed to help the amount of coverage keep up with inflation.

The dwelling must be insured to 100% of the replacement cost at the time the home is added to a policy.

The extended limit of an additional 25% is designed to give the client an extended limit of coverage in case the replacement cost of a dwelling has changed during the policy period and now exceeds the limit shown in the Declarations.

Do not include the additional 25% on a binder.

**Actual Cash Value Siding Loss Settlement (FO-20.158)**

For a reduction in premium, this endorsement is designed to modify coverage under Section I – Property. Replacement cost does not apply to any loss or damage to the siding of the property to which the endorsement applies to. All losses and damages will be adjusted on an actual cash value basis.

- This endorsement is required on all new structures being added with vinyl siding.
Actual Cash Value Roofing Loss Settlement Endorsement (FO-20.144R)

This endorsement amends the loss settlement condition so that all provisions relating to replacement cost are waived regarding any loss that may arise to the roofing of any property shown on the endorsement. The losses that arise to the roofing of any property listed on the endorsement are adjusted on an actual cash value (ACV) basis. This includes other structures and farm structures covered under your dwelling coverage. (See FAQ Section).

An annual premium discount is applied when this endorsement is added.

This endorsement cannot be added to:
- Dwelling Property policy, unless the policy also has the Replacement Cost Coverage E Building Endorsement FO-20.140.
- Mobile Homeowner policy.

Other Structures Restrictive Endorsement (FO-20.148)

This endorsement removes the company’s liability for loss or damage to the specified other structures or farm structures listed on the endorsement.

This endorsement may be added when there are other structures that do not qualify for the coverages automatically extended from the Coverage A or Coverage E dwelling.

This endorsement can also be used to reduce covered perils on other structures. Would be used for a green house that is constructed from materials that would not qualify for full peril coverage.

Typically used when the other structure has deteriorated. This could include an old roof and/or chipped siding, paint, or trim (See FAQ Section).

Please contact your underwriter to add this endorsement.
**Temporary Manufactured Home Coverage on Insured Location (FO-20.154)**

This endorsement removes the coverage exclusion for mobile or modular homes while utilities are not connected during the construction of the foundation up to 90 days after delivery.

No coverage exists while home is being transported or moved onto the foundation.

The home must be insured for full replacement cost, including the foundation, when adding endorsement.

Photos are required once home is placed on the foundation.

There is no need to delete coverage. The endorsement is only valid for 90 days and will automatically drop off at renewal.

May be added to Coverage A or Coverage E dwellings.

Mobile available on Country Squire Policy type.

Premium Applies
Seasonal Occupancy (FO-20.156)

This endorsement is only available on coverage E dwellings. *Zone guidelines will still apply.*

This endorsement is intended for the following situations:

- The insured’s primary dwelling that is not lived in 75% of the time
  - Snowbirds
    - Refer to Seasonal Dwelling Questionnaire (required) on the Portal.
  - Vacation rentals
    - See guidelines below
    - Refer to the Vacation Rental Questionnaire (required) on the Portal.

- Seasonal dwellings when we do not insure the primary residence
  - See guidelines below
  - Refer to Seasonal dwelling questionnaire (required) on the Portal

  - Alarm discount does not apply.
  - Must meet defensible zone requirements

Class A: Class A rating factors are for dwellings with alarms that have a central reporting system with:
- Burglar,
- Fire, and
- Environmental

Class B: Class B rating factors are for dwellings with alarms that have a central reporting system with:
- Burglar and
- Fire

Class C: Class C rating factors are for dwellings with local alarms only.
- Home office approval required

**Seasonal Occupancy Rating Factors**

<table>
<thead>
<tr>
<th>Number of Months</th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-12</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>7-8</td>
<td>1.15</td>
<td>1.20</td>
<td>1.25</td>
</tr>
<tr>
<td>5-6</td>
<td>1.50</td>
<td>1.55</td>
<td>1.60</td>
</tr>
</tbody>
</table>

Updated 4/2020
Vacation Rental Guidelines:

Personal Lines Coverage A
- Owner Occupied 75-100%
- Documentation of Host Liability*
- Vacation Rental Questionnaire required

Coverage E (Blue/Green Zone only for 5F)
- Owner Occupied 51-74%
- Documentation of Host Liability*
- Personal Liability may be added
- Include Seasonal Occupancy Endorsement FO-20.156
- Vacation Rental Questionnaire required

Farm/Ranch- Full Country Squire
- If dwelling/cabin located on the ranch: add the Guest Ranch Liability endorsement (no host liability documentation required)
- If dwelling/cabin located off the ranch: proceed with guidelines from Coverage E

Note: if location is 50% or more tenant occupied, Commercial Coverage is needed

* Documentation of the host liability coverage required at new business and each renewal.

Ineligible risks:
- Any water loss in the last 3 years
- Properties that are not accessible year round
- Automobile, Watercraft or Recreational Vehicles available for use by tenant
- Risks that do not meet our defensible zone requirements

Seasonal Dwelling Guidelines:

Trial application required
- Coverage E only
- Liability must be extended from their primary residence
- 30 years or newer
  - Will allow updates
- Blue and Green Zones only
- Owner occupied
- Maximum property AOI $2.5 million
- Minimum deductible
  - Protection class 1-9 $2500
  - Protection class 10 $5000
- Seasonal occupancy endorsement required

Ineligible risks:
- Any water loss in the last 3 years
- Properties that are not accessible year round

Updated 4/2020
Seasonal Occupancy Rating Factor Examples

Example 1: Mike and Terry have a home in Kalispell and a summer home in Maine. They live in Kalispell from October through March and consider Montana their primary residence. They have a central alarm system that reports for burglary and fire only. They could have a SF policy written on their dwelling in Kalispell using the seasonal occupancy endorsement for 5-6 months, Class B.

Example 2: Tamey and Harold live in Jackson from March through September. They spend the winters in Hawaii and consider Jackson as their primary residence. They have a central alarm system that reports burglar, fire, and environmental concerns. We could cover the Jackson property using the seasonal occupancy endorsement for 7-8 months, Class A.

Example 3: John and Kalie have a home in Colorado Springs where they spend most of the year. They have a second home in Billings which they occupy three months out of the year. We are unable to write this dwelling in Mountain West.
Windstorm or Hail Co-Pay Deductible (FO-20.159)

This endorsement modifies coverage under Section I – Property. There is a reduction in premium.

We agree that there is a separate deductible for damages caused directly or indirectly by windstorm or hail, subject to the exclusions of Windstorm or Hail (Peril 3) or Special Coverage (Peril 25). The co-pay deductible applies to all Section I-Property losses caused by windstorm or hail.

This co-pay applies per occurrence and will be subtracted from the total adjusted loss. The amount subtracted will be 20% of the adjusted loss. This co-pay will be applied to all loss payments until the maximum amount has been reached.

The maximum amount of the co-pay will be equal to the percentage shown in the Declarations of the highest limit of insurance applicable to the property that has sustained loss or damage.

The minimum amount of the co-pay will be the dollar amount shown in the Declarations.

Co-pay means the portion of the loss that is the responsibility of the insured. The dollar deductible amount shown in the Declarations applies to all other covered losses. All other provisions of the policy apply.

- Please reference the co-pay section earlier in the manual for examples on how these endorsements apply.
Windstorm or Hail Percentage Deductible (FO-20.160)

This endorsement modifies coverage under Section I – Property. There is a reduction in premium.

We agree that there is a separate deductible for damages caused directly or indirectly by windstorm or hail. All exclusions applicable to Windstorm (Peril 3) or Special coverage (Peril 25) apply. This percentage deductible applies to all Section I Property losses caused by Windstorm or hail.

This deductible applies per occurrence and will be subtracted from the total adjusted loss. The amount subtracted will be equal to the percentage shown in the Declarations of the highest limit of insurance applicable to the property that has sustained loss or damage. We will not pay for loss or damage until the loss or damage exceeds the deductible.

- Please reference the co-pay section earlier in the manual for examples on how these endorsements apply.
**LIABILITY COVERAGES**

*Please refer to policy for actual language.*

<table>
<thead>
<tr>
<th>Liability Coverages</th>
<th>Limit Options</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage F</strong></td>
<td></td>
</tr>
<tr>
<td>Personal Liability</td>
<td></td>
</tr>
<tr>
<td>Personal liability is provided for the named insured as defined by our policy. Covers damages resulting in bodily injury or property damage caused by an occurrence if the insured is legally obligated for such damages.</td>
<td>$ 100,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coverage G</strong></td>
<td></td>
</tr>
<tr>
<td>Premises Medical</td>
<td></td>
</tr>
<tr>
<td>Payment for necessary medical expenses within three years after the loss causing bodily injury arising from a condition on the insured location or from an insured’s activities off the insured location. Does not apply to the insured or regular residents of the insured location.</td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coverage M</strong></td>
<td></td>
</tr>
<tr>
<td>Damage to Property of Others</td>
<td></td>
</tr>
<tr>
<td>Property damage to property of others caused by an insured.</td>
<td>$500 limit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Coverages</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire Legal Liability</strong></td>
<td></td>
</tr>
<tr>
<td>Payment for property damage to a lodging place and its furnishings rented to an insured if the property damage arises out of fire, smoke, or explosion.</td>
<td>Included in Coverage F limits.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Payments</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Aid Expense</strong></td>
<td></td>
</tr>
<tr>
<td>Pays expenses for first aid to others incurred by an insured for bodily injury covered by this policy. Does not pay for first aid to any insured.</td>
<td>An addition to liability limits.</td>
</tr>
<tr>
<td><strong>Claim Expense</strong></td>
<td></td>
</tr>
<tr>
<td>Pays reasonable expenses incurred by an insured at our request.</td>
<td>An addition to liability limits.</td>
</tr>
</tbody>
</table>
Optional Liability Coverages

*Please refer to the policy for actual language.*

<table>
<thead>
<tr>
<th>Optional Endorsements, continued</th>
<th>4H</th>
<th>4T</th>
<th>5F No Liability</th>
<th>5F W/ Liability</th>
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<tbody>
<tr>
<td>FO-30.102 Office, Professional, Private School, or Studio</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>X</td>
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<tr>
<td>FO-30.103 Watercraft</td>
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<td>No</td>
<td>X</td>
</tr>
<tr>
<td>FO-30.105 Business Pursuits</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>X</td>
</tr>
<tr>
<td>FO-30.106 Personal Injury</td>
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<td>X</td>
<td>No</td>
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</tr>
<tr>
<td>FO-30.111 Recreational Vehicle Liability</td>
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<td>X</td>
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<tr>
<td>FO-30.118 Additional Residence Premises Liability</td>
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<td>No</td>
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<tr>
<td>FO-30.120 Farm Liability</td>
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<td>No</td>
<td>X</td>
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<tr>
<td>FO-30.124 Bed and Breakfast</td>
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</tr>
<tr>
<td>FO-30.130 Home Child Care</td>
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<td>No</td>
<td>X</td>
</tr>
<tr>
<td>FO-30.132 Dog Restrictive Endorsement</td>
<td>X</td>
<td>X</td>
<td>No</td>
<td>X</td>
</tr>
</tbody>
</table>

Office, Private School, or Studio Occupancy Endorsement (FO-30.102)

This endorsement extends property and liability coverages if the insured maintains an incidental office, private school, or studio in part of the residence premises or other structure.

Coverage includes:

- $5,000 for business personal property located at the insured location
  - *Does not apply* to merchandise held for sample or for sale.
  - Coverage extends to leased business property and signs
- $1,000 for business personal property located away from insured location
  - Coverage extends to leased business property and signs
- Liability is extended to include business activities on insured location
  - *Coverage does not apply* to bodily injury or property damage that arises out of professional services an insured performs or fails to perform.
Watercraft Liability (FO-30.103)

This endorsement provides Coverage F (Liability) and Coverage G (Premises Medical) for loss arising out of the ownership, maintenance, use, loading, or unloading of the watercraft described in the Declarations. Ineligible if used in connection with racing/competition.

An insured includes any person legally responsible for a watercraft owned by an insured. This does not include a person using or having custody or control of the watercraft without the consent of the owner.

Jet skis - Coverage may be written for personal watercraft only if we insure the client’s home and liability.

Boats over 29 feet - refer to Brokerage

MVRs are required for all operators. Provide names and driving information, including driver’s license number and date of birth, on all household watercraft operators.

Do not bind if the operator’s driving record does not meet requirements for Mountain West Auto Coverage.

Business Pursuits – Business Not Owned or Controlled by an Insured (FO-30.105)

This endorsement extends Coverage F (Liability) and Coverage G (Premises Medical) to apply to the business pursuits of the insured when the insured does not have any ownership or financial control of the business.

The endorsement is designed for a limited scope of coverage and does not replace professional liability coverage. Please refer to your policy language for a list of specific exclusions.

Three classifications for this endorsement:
- Clerical office employees
- Salespersons, collectors, or messengers
- Teachers
Personal and Advertising Injury Coverage (FO-30.106)

This endorsement extends Coverage F (Liability) for Personal and Advertising Injury Coverage. The endorsement is designed for a limited scope of coverage and does not replace professional liability coverage. Please refer to your policy language for a list of specific exclusions.

Recreational Vehicle Liability (FO-30.111)

Recreational vehicles include any motorized land vehicle designed for recreation and principally used off roads, whether licensed or not. Ineligible if used in connection with racing/competition.

MVRs are required for all operators. Provide names and driving information, including driver’s license number and date of birth, on all household watercraft operators.

Do not bind if the operator’s driving record does not meet requirements for Mountain West Auto Coverage.
Additional Resident Premises Liability Endorsement (FO-30.118)

If your client owns a second home or cabin or rents a dwelling, they have a liability exposure that needs to be covered. This endorsement provides the liability coverage required for owning or renting additional dwellings. This endorsement provides Coverage F (Liability) and Coverage G (Premises Medical) for additional premises listed on the Declarations.

This endorsement is used for both principal residence and additional residences:
- Cabins
- Secondary/seasonal homes
- Rental properties, including homes used by the insured’s children

When extending liability from the primary residence, the same limit of liability applies to the Coverage E property.

Coverage E properties at the same location as the primary residence automatically receive liability.

Coverage E properties at a separate location from the primary residence do not automatically receive liability coverage. Therefore, coverage must be extended with this endorsement.

One charge should be made for each location.

Example: If an insured owns a 4-plex, only one charge needs to be made to the location.

Incidental Farming Operations Liability (FO-30.120)
Cannot be added to Country Squire or Country Home

By adding this endorsement, coverage will be extended under Section II – Liability and Premises Medical to include incidental farming that is performed on the insured location.

A horse used for personal use and enjoyment on premises does not require the FCL endorsement.

This endorsement is necessary if the insured has farming and ranching activities on insured premises.

Premium based on medical and liability limits.

Updated 4/2020
Bed and Breakfast (FO-30.124)

This endorsement modifies coverage under Section I- Property and Section II – Liability and Premises Medical coverages for the client’s liability arising out of the use and occupancy of a Bed and Breakfast operation (See FAQ Section).

The Bed and Breakfast facility must be a dwelling that:

- Is used to provide temporary accommodations to the public for a charge;
- Has no more than five units;
- Has an average of ten persons per night over a 30-day period; and
- Serves no more than two family-style meals in a 24-hour period.

Requirements:

- The Bed and Breakfast must be located on the insured’s residence premises
- The dwelling must be in exceptional condition because of the additional risk associated with guests.

*Wyoming Bed and Breakfast operations are required to possess a current, valid permit from the Division of Health and Social Services. The permit numbers must be submitted with the application.*
Home Child Care (FO-30.130)

We can offer coverage for child care services provided by an insured on the residence premises by adding the Home Child Care endorsement, which extends coverage under Section I – Personal Property and Section II – Liability and Premises Medical.

This includes:
- $5,000 for business personal property located at the insured location
- $1,000 for business personal property located away from insured location

Liability is extended to include business activities on insured location, but only in regards to the Home Child Care

We do not offer coverage if
- There are seven (7) or more children under the insured’s care.
  - A child is counted even if he/she is at the care center for only a half day or “part time.”
  - This limit includes the insured’s children under the age of six (6)
- The insured fails to comply with any licensing, registration requirements, or any state laws or regulations.

If the insured has too many children to qualify for this endorsement or chooses to obtain child care coverage elsewhere, we require an annual copy of the Declarations from their coverage provider.

Dog Restrictive Endorsement (FO-30.132)

We may request this endorsement to restrict the liability exposure arising from a dog that has previously bitten someone or shows aggression (See FAQ Section).
Farmer’s Market & Community Supported Agriculture Coverage:

Farmer’s Markets: Local Markets that sell their ag products directly to customers (fruits, veggies, eggs & cheeses).

Community Supported Agriculture (CSA): Food production and distribution system that directly connects farmers and consumers. People can buy “shares” of a farm’s harvest in advance and receive a portion of the crop as they’re harvested.

For Personal Lines Policies (4H, CP and 5F):

**Requirements:**
- Receipts under $15K per year- cannot be the main source of income
- If policy is a 5F, must be owner occupied with personal liability coverage
- Add Farmers Comprehensive Liability (FCL) FO-30.120 listing the legal description where the farm products are grown/raised
- Add Incidental Business Activity FO-30.104
  - Misc. class, premium group 6
  - Description = Farmers Market or CSA
  - Endorsement must remain on policy for the full policy term

**Ineligible Risks:**
- Additional Insureds- cannot add on personal property, discuss with underwriter if possibly qualifies for Country Home
- Farm-to-Table- ON PREMISES (Allows for guests to come to the local farm/ranch and enjoy a meal prepared using the farm products [including livestock] raised on the insured location)
- Any Meat Processing- We cannot accommodate a client that processes/butchers their own meat.
OPTIONAL DISCOUNTS

See full descriptions for details and limitations on discounts.

<table>
<thead>
<tr>
<th>Discount</th>
<th>4H/CP/CQ</th>
<th>4T</th>
<th>5F/ Coverage E</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Home</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Claims Free Discount</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Longevity Discount</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Premises Alarm</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Sprinkler</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hail Resistive Roofing</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Package Discounts</td>
<td>CP and CQ only</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New Home Discount
We automatically provide a discount on premium charged for a home that has been built in the previous 12 years. We base the discount on the original year of construction. Remodeled/Updated homes do not qualify for the new home discount.
Claims Free/Longevity (CIF) Discount - Coverage A only
We automatically provide a percentage discount on premium charged for a dwelling that has had no claims paid against it in the last 3 years based on a rolling period, beginning January 1, 2012.

The discount is applied per structure, not to the entire policy. Paid claims on a structure only affect the claims free discount for that structure.

The discount will be affected with any claim over a $1,200 threshold. This discount applies to both new and existing clients.

Claims Free Discount – Coverage E only
We automatically provide a percentage discount on premium charged for a dwelling that has had no claims paid against it in the last 3 years based on a rolling period, beginning January 1, 2012.

This discount is applied per item. The discount is applied per structure, not to the entire policy. Paid claims on a structure only affect the claims free discount for that structure.

The discount will be affected with any claim over a $1,200 threshold. This discount applies to both new and existing clients.
Premises Alarm or Fire Protection System Discount (FO-20.124)

**Home Alert Discount**
We offer a discount for clients who have installed various alarm systems in their homes. The discount percent by policy type is shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Special Form</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local fire or smoke alarm</td>
<td>N/A</td>
<td>2%</td>
</tr>
<tr>
<td>Fire or smoke detectors that also activate either digital dialer or a voice synthesized telephone dialer</td>
<td>N/A</td>
<td>4%</td>
</tr>
<tr>
<td>Fire or smoke alarm, dead bolt locks, and fire extinguisher</td>
<td>N/A</td>
<td>5%</td>
</tr>
<tr>
<td>Local or central fire or smoke and burglar alarm system</td>
<td>N/A</td>
<td>5%</td>
</tr>
<tr>
<td>Fire or smoke detectors that also activate either a digital dialer or voice synthesized telephone dialer, dead bolt locks, and fire extinguisher</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Local burglar alarm and fire or smoke alarm, dead bolt locks, and fire extinguisher</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Fire and/or burglar alarm system reporting to either a central monitoring station, fire and/or police department, dead bolt locks, and fire extinguishers*</td>
<td>10%</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Documentation is required to apply for this discount. Include a current invoice from the servicing company itemizing the type of system and declaring where the system is monitored.

This discount can be applied to Homeowner (4H, CP, and CQ), including tenant policies, Mobile Homeowner (4T), and Dwelling Fire (5F or Coverage E) policies.

**Automatic Sprinkler Discount**
We provide a discount to clients who have installed automatic sprinkler systems in their dwelling. There are two discounts to choose from and both require documentation at the time of application. Documentation includes an invoice from the company that installed the system, itemizing the system and maintenance schedule required to keep the system in operation at all times. This discount can be applied in addition to the Alarm Discount.

**Complete Sprinkler System - 10% Discount**
- Automatic sprinklers installed in all areas including bathrooms, attics, closets, and attached structures.

**Partial Sprinkler System - 5% Discount**
- Automatic sprinklers completely or partially omitted in attics, closets, and attached structures.

*The automatic sprinkler discount does not apply to outbuildings or other structures.*

Updated 4/2020
Hail Resistive Roofing Discount

A premium discount is given when the roof system meets the Underwriting Laboratory (UL) Standard 2218, Class 3 or 4 for “hail resistive” roofing materials, UL Standard 997 for 110 mph wind resistive roofing materials, ASTM D3161 Class F (110 mph), or ASTM D7158 Class G or H (150/190 mph)

This discount does not apply to metal roofing.

This discount does not apply to outbuildings.

The Roofing Discount Certification form (See FAQ Section) is required to be completed and signed by the installing contractor in order for this discount to be considered. We also require a copy of the materials specifications, which is found in the bundle of shingles that qualifies for either or both UL Standards.

Copy of Product Specifications Sheet showing either UL Standard 2218, Class 3 or 4, UL Standard 997 – 110 mph wind labeling, ASTM D3161 Class F (110 mph), or ASTM D7158 Class G or H (150/190 mph)

If an insured purchases a home that has a wind or hail resistive roof, we will require a statement from the installing contractor before allowing this discount.

A partial listing of qualified products is listed on the next page.

Discount applies for Coverage A & E dwellings.

**Please note: Roofs that are ACV do not qualify for the discount**
Roofing Discount Product Listing

Here is a partial listing of roofing materials that meet UL Standard 997 for wind resistance, UL Standard 2218, Class 3 or 4 for hail resistance, ASTM D3161 Class F (110 mph), or ASTM D7158 Class G or H (150/190 mph)

<table>
<thead>
<tr>
<th>Company</th>
<th>Product Type</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlas Roofing - Atlanta</td>
<td>Modified 90</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Stormaster LM</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Stormaster ST</td>
<td>Class 4</td>
</tr>
<tr>
<td>Certainteed Corp</td>
<td>XT-30 IR</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Landmark 40 IR</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Landmark 50 IR</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Landmark TL IR</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Landmark TL IR AR</td>
<td>Class 4</td>
</tr>
<tr>
<td>Elk Roofing Corp</td>
<td>Prestique Xtra</td>
<td>Class 4</td>
</tr>
<tr>
<td>Endura - All Technologies - Denver CO</td>
<td>CeDur Shake</td>
<td>Class 3</td>
</tr>
<tr>
<td>GS Roofing Products</td>
<td>Firescreen Plus 2000</td>
<td>Class 3</td>
</tr>
<tr>
<td></td>
<td>Ultimate 30</td>
<td>Class 4</td>
</tr>
<tr>
<td>Malarkey Roofing</td>
<td>Alaska</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Hurricane</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Legacy</td>
<td>Class 4</td>
</tr>
<tr>
<td>Mr. Roof</td>
<td>Thunder Guard 3-Tab</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Thunder Guard Architectural</td>
<td>Class 4</td>
</tr>
<tr>
<td>Oscoda Plastics Inc.</td>
<td>Berts Best Shakes</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Modified Reinforced Plastic Shingles</td>
<td></td>
</tr>
<tr>
<td>Owns Corning</td>
<td>Weather Guard</td>
<td>Class 4</td>
</tr>
<tr>
<td>Re-New Wood</td>
<td>Eco-Shake</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Recycled Resin</td>
<td>Class 4</td>
</tr>
<tr>
<td></td>
<td>Formed Shingle</td>
<td>Class 4</td>
</tr>
</tbody>
</table>

* Decra X-D Shingles also meet the UL Standard 997 for wind resistance or UL Standard 2218, Class 3 or 4 for hail resistance.

Updated 4/2020
Package Discounts

Dues are required in Montana and Wyoming in order to receive the package discount.

City Squire Package Discounts

Along with the discounts listed above, the City Squire policy provides for the following discounts:

<table>
<thead>
<tr>
<th>Discount Available</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sections I and II</td>
<td>Wyoming</td>
</tr>
<tr>
<td></td>
<td>Montana</td>
</tr>
</tbody>
</table>
|                    | • Written as a package policy along with Section I – Property and Section II – Liability  
|                    | • An associate membership is collected |
| Section III        | Wyoming  |
|                    | Montana  |
|                    | • Part of a package policy along with Section I – Property and Section II – Liability  
|                    | • An associate membership is collected |
| Section IV (Optional) | No Discount |
| Section V (Optional) | No Discount |

Optional sections should be pursued in order to round out the City Squire policy.
Country Home Package Discounts

Along with the discounts listed above, the Country Home policy provides for the following discounts:

<table>
<thead>
<tr>
<th>Discount Available</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sections I and II</td>
<td>Wyoming</td>
</tr>
<tr>
<td></td>
<td>Montana (with Section III)</td>
</tr>
<tr>
<td></td>
<td>• Written as a package policy along with Section I – Property and Section II – Liability</td>
</tr>
<tr>
<td></td>
<td>• An associate membership is collected</td>
</tr>
<tr>
<td></td>
<td>• In Montana, discount does not apply if there is not a Section III on the policy</td>
</tr>
<tr>
<td>Section III</td>
<td>Wyoming</td>
</tr>
<tr>
<td></td>
<td>Montana</td>
</tr>
<tr>
<td></td>
<td>• Part of a package policy along with Section I – Property and Section II – Liability</td>
</tr>
<tr>
<td></td>
<td>• An associate membership is collected</td>
</tr>
<tr>
<td>Section IV (Optional)</td>
<td>No Discount</td>
</tr>
<tr>
<td>Section V (Optional)</td>
<td>No Discount</td>
</tr>
</tbody>
</table>

Optional sections should be pursued in order to round out the Country Home
SURCHARGES

Wood Roof Surcharge

We attach a surcharge to the insured’s Homeowner premium to reflect the additional expense of replacing a home that has a wooden roof. Wooden roofs are typically called wood shake or cedar shake roofs.

ACV Roof Endorsement FO-20.144R can offset this surcharge by a discount, if also applied to the policy.

Woodstove Surcharge

A surcharge to the insured’s Homeowner premium is added to reflect the increased risk exposure for having a woodstove.

Refer to woodstove section in general guidelines.

Tenants policies do not receive this surcharge.
RATING INFORMATION

Available Limits

Available Liability Limits:
$100,000
$200,000
$300,000
$500,000

Available Medical Limits:
$1,000
$2,500
$5,000
$10,000
$25,000 (Country Squire only)

Deductibles


WCDA – Deductible: a 1% deductible of the dwelling coverage for all perils is required on all hazard insurance policies where WCDA is the mortgage holder. For Fannie Mae loans serviced by WCDA, the deductible can be 5% of the face amount of the policy. The deductible clause may apply to either fire, extended coverage, or both. When a policy provides for a separate wind-loss deductible (either in the policy itself or in a separate endorsement), that deductible must be no greater than 5% of the face amount of the policy.

Deductibles apply one per Section I per occurrence and one per Section IV per occurrence. The highest deductible per that section will apply – only once per occurrence.

Deductibles are subtracted from the adjusted loss. For example:

Limit - $2,500
Deductible - $1,000
Loss $2,750
Payment would be........$1,750

Updated 4/2020
Deductibles for different policy types and endorsements are listed under the specific section in the manual or endorsement.

For Country Squire deductible information, refer to the Country Squire section of the manual.

Here are some examples of deductible application to illustrate.

**Example 1**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Deductible</th>
<th>Loss Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling</td>
<td>$5,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Shop</td>
<td>$1,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>Additional Dwelling</td>
<td>$1,000</td>
<td>$700</td>
</tr>
<tr>
<td>Farm Personal Property</td>
<td>$1,000</td>
<td>$700</td>
</tr>
</tbody>
</table>

- Farm Personal Property and Additional Dwelling do not exceed the deductibles, so no coverage is provided for those loss amounts.
- The Shop and Dwelling exceed their deductibles, $5,000 applies.
- Payment for the Dwelling $10,000; payment for Shop $1,200.

**Example 2**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Deductible</th>
<th>Loss Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling</td>
<td>$1,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Shop</td>
<td>$1,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>Additional Dwelling</td>
<td>$1,000</td>
<td>$1,700</td>
</tr>
<tr>
<td>Farm Personal Property</td>
<td>$1,000</td>
<td>$1,700</td>
</tr>
</tbody>
</table>

- All damages exceed their given deductible
- One deductible applies
- Payment for Dwelling $14,000; Shop $1,200; Additional Dwelling $1,700; and Farm Personal Property $1,700
Deductibles, continued

Available Homeowner’s Deductibles:

<table>
<thead>
<tr>
<th>Deductible</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACV</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$100</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$250</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$500</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$1000</td>
<td>Available</td>
</tr>
<tr>
<td>$1,500</td>
<td>Available</td>
</tr>
<tr>
<td>$2,000</td>
<td>Available</td>
</tr>
<tr>
<td>$2,500</td>
<td>Available</td>
</tr>
<tr>
<td>$5,000</td>
<td>Available</td>
</tr>
<tr>
<td>$10,000</td>
<td>Available</td>
</tr>
<tr>
<td>$15,000</td>
<td>Available</td>
</tr>
<tr>
<td>$20,000</td>
<td>Available</td>
</tr>
<tr>
<td>$25,000</td>
<td>Available</td>
</tr>
</tbody>
</table>

Please note that the 1% and 2% windstorm or hail percentage deductible and the 1% and 2% windstorm or hail co-pay deductible are available for each of the above flat deductibles.

PLEASE SEE THE MINIMUM DEDUCTIBLE REQUIREMENTS CHART FOR ZONE SPECIFIC DEDUCTIBLE REQUIREMENTS.

Available Tenant’s Deductibles:

<table>
<thead>
<tr>
<th>Deductible</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$250</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$500</td>
<td>Available</td>
</tr>
<tr>
<td>$1,000</td>
<td>Available</td>
</tr>
<tr>
<td>$1,500</td>
<td>Available</td>
</tr>
<tr>
<td>$2,000</td>
<td>Available</td>
</tr>
<tr>
<td>$2,500</td>
<td>Available</td>
</tr>
<tr>
<td>$5,000</td>
<td>Available</td>
</tr>
<tr>
<td>$10,000</td>
<td>Available</td>
</tr>
<tr>
<td>$15,000</td>
<td>Available</td>
</tr>
<tr>
<td>$20,000</td>
<td>Available</td>
</tr>
<tr>
<td>$25,000</td>
<td>Available</td>
</tr>
</tbody>
</table>
Available Mobile Homeowner’s Deductibles:
  • Only Available on Country Squire Policy type

<table>
<thead>
<tr>
<th>Deductible</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$250</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$500</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$1,000</td>
<td>Available</td>
</tr>
<tr>
<td>$1,500</td>
<td>Available</td>
</tr>
<tr>
<td>$2,000</td>
<td>Available</td>
</tr>
<tr>
<td>$5,000</td>
<td>Available</td>
</tr>
<tr>
<td>$10,000</td>
<td>Available</td>
</tr>
<tr>
<td>$15,000</td>
<td>Available</td>
</tr>
<tr>
<td>$20,000</td>
<td>Available</td>
</tr>
<tr>
<td>$25,000</td>
<td>Available</td>
</tr>
</tbody>
</table>

Available Dwelling Deductibles:

<table>
<thead>
<tr>
<th>Deductible</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$250</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$500</td>
<td>For existing clients currently carrying these limits only</td>
</tr>
<tr>
<td>$1,000</td>
<td>Available</td>
</tr>
<tr>
<td>$1,500</td>
<td>Available</td>
</tr>
<tr>
<td>$2,000</td>
<td>Available</td>
</tr>
<tr>
<td>$5,000</td>
<td>Available</td>
</tr>
<tr>
<td>$10,000</td>
<td>Available</td>
</tr>
<tr>
<td>$15,000</td>
<td>Available</td>
</tr>
<tr>
<td>$20,000</td>
<td>Available</td>
</tr>
<tr>
<td>$25,000</td>
<td>Available</td>
</tr>
</tbody>
</table>

Minimum deductible for contents on a Coverage E dwelling is $500.

Deductibles for Coverage E on package policies follow the line of business of the package

Please note that the 1% and 2% windstorm or hail percentage deductible and the 1% and 2% windstorm or hail co-pay deductible are available for each of the above flat deductibles.

PLEASE SEE THE MINIMUM DEDUCTIBLE REQUIREMENTS CHART FOR ZONE SPECIFIC DEDUCTIBLE REQUIREMENTS.

Updated 4/2020
The county in which the dwelling is located is the territory that applies for rating purposes. These territories pertain to Homeowner, Mobile Homeowner, Dwelling, City Squire, Country Home, Country Squire, and Tenant policies.

**Wyoming Territories**

1 – Park  
2 – Teton  
3 – Sublette  
4 – Lincoln  
5 – Uinta  
6 – Big Horn  
7 – Washakie  
8 – Hot Springs  
9 – Fremont  
10 – Sweetwater  
11 – Sheridan  
12 – Johnson  
13 – Natrona  
14 – Carbon  
15 – Campbell  
16 – Converse  
17 – Albany  
18 – Crook  
19 – Weston  
20 – Niobrara  
21 – Platte  
22 – Goshen  
23 – Laramie

Updated 4/2020
Montana Territories

1 – Lincoln
2 – Flathead
3 – Sanders
4 – Lake
5 – Mineral
6 – Missoula
7 – Powell
8 – Ravalli
9 – Granite
10 – Deer Lodge
11 – Silver Bow
12 – Jefferson
13 – Beaverhead
14 – Madison
15 – Glacier
16 – Toole
17 – Liberty
18 – Pondera
19 – Teton
20 – Lewis & Clark
21 – Cascade
22 – Broadwater
23 – Meagher
24 – Gallatin
25 – Park
26 – Hill
27 – Chouteau
28 – Judith Basin
29 – Wheatland
30 – Sweet Grass
31 – Blaine
32 – Phillips
33 – Fergus
34 – Petroleum
35 – Golden Valley
36 – Musselshell
37 – Stillwater
38 – Yellowstone
39 – Carbon
40 – Big Horn
41 – Valley
42 – Garfield
43 – Rosebud
44 – Treasure
45 – Daniels
46 – Sheridan
47 – Roosevelt
48 – McConie
49 – Richland
50 – Dawson
51 – Prairie
52 – Wibaux
53 – Custer
54 – Fallon
55 – Powder River
56 – Carter

Updated 4/2020
Wyoming Country Home and Country Squire – Coverage E Territories

1
2
3

**County**
Campbell, Johnson, Natrona, and Sheridan
Remainder of the State
Laramie
Montana Country Home
and Country Squire –
Coverage E Territories

<table>
<thead>
<tr>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Big Horn, Carter, Custer, Dawson, Fallon, Garfield, McCon,</td>
</tr>
<tr>
<td>Petroleum, Powder River, Prairie, Rosebud, Treasure, and</td>
</tr>
<tr>
<td>Wibaux</td>
</tr>
<tr>
<td>2. Blaine, Chouteau, Hill, Judith Basin, and Wheatland</td>
</tr>
<tr>
<td>3. Remainder of State</td>
</tr>
<tr>
<td>4. Daniels, Fergus, Golden Valley, Musselshell, Phillips, Richland,</td>
</tr>
<tr>
<td>Roosevelt, Sheridan, and Valley</td>
</tr>
<tr>
<td>5. Yellowstone</td>
</tr>
<tr>
<td>6. Cascade, Glacier, Liberty, Meagher, Park, Pondera, Teton, and</td>
</tr>
<tr>
<td>Toole</td>
</tr>
<tr>
<td>7. Carbon, Stillwater, and Sweetgrass</td>
</tr>
</tbody>
</table>
Wyoming Coverage E Non-CQ Territories - City Squire, Homeowners, and Fire Dwelling (CP, 4H, 5F)

<table>
<thead>
<tr>
<th>Territory</th>
<th>Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Campbell</td>
</tr>
<tr>
<td>2</td>
<td>Albany, Big Horn, Carbon, Fremont, Hot Springs, Lincoln, Park, Sublette, Sweetwater, Teton, Uinta, Washakie</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Territory</th>
<th>Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Laramie</td>
</tr>
<tr>
<td>4</td>
<td>Natrona</td>
</tr>
<tr>
<td>5</td>
<td>Goshen</td>
</tr>
<tr>
<td>6</td>
<td>Crook, Niobrara, Weston</td>
</tr>
<tr>
<td>7</td>
<td>Johnson, Sheridan</td>
</tr>
<tr>
<td>8</td>
<td>Converse</td>
</tr>
<tr>
<td>9</td>
<td>Platte</td>
</tr>
</tbody>
</table>
Montana Coverage E Non-CQ Territories – City Squire, Homeowners, and Fire Dwelling (CP, 4H, 5F)

<table>
<thead>
<tr>
<th>Territory</th>
<th>Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Big Horn Carter Custer Dawson Fallon Garfield McCone Petroleum Powder River Prairie Rosebud Treasure Wibaux</td>
</tr>
<tr>
<td>2</td>
<td>Blaine Chouteau Hill Judith Basin Wheatland</td>
</tr>
<tr>
<td>3</td>
<td>Beaverhead Broadwater Deer Lodge Flathead Granite Jefferson Lake Lewis &amp; Clark Lincoln Madison Mineral Powell Ravalli Sanders Silverbow</td>
</tr>
<tr>
<td>4</td>
<td>Daniels Fergus Golden Valley Musselshell Phillips Richland Roosevelt Sheridan Valley</td>
</tr>
<tr>
<td>5</td>
<td>Yellowstone</td>
</tr>
<tr>
<td>6</td>
<td>Cascade Glacier Liberty Meagher Pondera Teton Toole</td>
</tr>
<tr>
<td>7</td>
<td>Carbon Stillwater</td>
</tr>
<tr>
<td>8</td>
<td>Gallatin Park Sweetgrass</td>
</tr>
<tr>
<td>9</td>
<td>Missoula</td>
</tr>
</tbody>
</table>

Updated 4/2020
PERSONAL LINES –
AUTOMOBILE (SECTION III)
Section III – Automobile Coverage

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Risk Selection

Mountain West’s automobile insurance program is designed for the preferred risk driver. Not everyone applying for personal automobile insurance will qualify.

Risk selection is the process of determining which prospects qualify for our automobile program, as well as selecting proper coverages. Proper risk selection not only helps your **profitability** and **retention**, it also protects our preferred rates.

When considering an applicant for personal automobile insurance, the guidelines in this manual should assist you in good risk selection. Contact your underwriter if you have any doubts about adequately rating automobile risks.

Field Underwriting Techniques

It is important that you collect the following information in your discussions with the applicant.

**Order applicable reports**
- National Credit File -NCF
  - Required for proper group placement
  - NCF Loss Score is valid for 60 days
- CLUE - verifies loss history
- Motor Vehicle Record -MVR verifies driving record

**Uncover prior insurance history**. We require the company name, policy number, and dates of coverage. Underwriting considers a three year insurance history.

**Inspect all automobiles** before binding coverage. Do not write coverage on vehicles that are damaged or appear to be poorly taken care of.

**Ask all application questions**. Do not assume what the answer will be or modify the way the question is asked on the application. Remind your client that their signature certifies that the answers provided to each question are truthful and complete.

**Identify and properly rate all drivers**. This is the most critical area for underwriting automobile business. Be sure to include all members of the household, including students away at college.

**Do not be afraid to give additional information** about your client and his/her situation. This additional information may be the difference between an underwriter accepting or rejecting a risk.
<table>
<thead>
<tr>
<th>Coverages</th>
<th>Minimum Amount and Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage N Liability</strong></td>
<td>$25,000/$50,000 minimum Increased limits available $250 limit on bail bond premium</td>
</tr>
<tr>
<td>Bodily injury and/or property damage.</td>
<td></td>
</tr>
<tr>
<td>Additional Payments:</td>
<td></td>
</tr>
<tr>
<td>• First aid</td>
<td></td>
</tr>
<tr>
<td>• Bail bond premium</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage Q Medical Payments</strong></td>
<td>$1,000 minimum Increased limits available</td>
</tr>
<tr>
<td>Medical payments to insured.</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage R (ERS)</strong></td>
<td>$250 limit</td>
</tr>
<tr>
<td>Provided by Agero</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage S Comprehensive</strong></td>
<td></td>
</tr>
<tr>
<td>Direct and accidental loss not caused</td>
<td></td>
</tr>
<tr>
<td>by collision or rollover.</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage T Collision</strong></td>
<td>$200</td>
</tr>
<tr>
<td>Loss to insured vehicle when it is</td>
<td>$50 per day/$500 maximum</td>
</tr>
<tr>
<td>hit by or hits another vehicle,</td>
<td></td>
</tr>
<tr>
<td>object, or rolls over. (May not be</td>
<td></td>
</tr>
<tr>
<td>written without comp coverage.)</td>
<td></td>
</tr>
<tr>
<td>Additional Payments:</td>
<td></td>
</tr>
<tr>
<td>• Loss to luggage (must have</td>
<td></td>
</tr>
<tr>
<td>Coverages S and T)</td>
<td></td>
</tr>
<tr>
<td>• Loss of use by theft – reimbursement</td>
<td></td>
</tr>
<tr>
<td>(must have Coverages S and T)</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage O Underinsured Motorist</strong></td>
<td>First vehicle limit chosen by insured</td>
</tr>
<tr>
<td>(UIM)</td>
<td>$25,000/$50,000 minimum</td>
</tr>
<tr>
<td>Bodily injury damages to an insured if</td>
<td>$25,000/$50,000 maximum on all subsequent vehicles</td>
</tr>
<tr>
<td>these damages exceed the amount</td>
<td></td>
</tr>
<tr>
<td>collectible from the liability policy</td>
<td></td>
</tr>
<tr>
<td>for the driver who is at fault in the</td>
<td></td>
</tr>
<tr>
<td>occurrence. Coverage does not apply to</td>
<td></td>
</tr>
<tr>
<td>physical damage to an insured’s</td>
<td></td>
</tr>
<tr>
<td>vehicle. Pays only if Underinsured</td>
<td></td>
</tr>
<tr>
<td>Motorist limits are higher than the</td>
<td></td>
</tr>
<tr>
<td>liability limits of the other driver.</td>
<td></td>
</tr>
<tr>
<td>Limit chosen cannot be higher than the</td>
<td></td>
</tr>
<tr>
<td>liability limits listed on the policy.</td>
<td></td>
</tr>
<tr>
<td><strong>Coverage P Uninsured Motorist</strong></td>
<td>First vehicle limit chosen by insured</td>
</tr>
<tr>
<td>(UM)</td>
<td>$25,000/$50,000 minimum</td>
</tr>
<tr>
<td>Bodily injury damages to an insured if</td>
<td>$25,000/$50,000 maximum on all subsequent vehicles</td>
</tr>
<tr>
<td>caused by an insured vehicle. Coverage</td>
<td></td>
</tr>
<tr>
<td>does not apply to physical damage to</td>
<td></td>
</tr>
<tr>
<td>an insured’s vehicle. Limit chosen</td>
<td></td>
</tr>
<tr>
<td>cannot be higher than the liability</td>
<td></td>
</tr>
<tr>
<td>limits listed on the policy.</td>
<td></td>
</tr>
</tbody>
</table>
## Home Office Approval Required

<table>
<thead>
<tr>
<th>Values</th>
<th>Vehicles over $65,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Motorcycles over $35,000</td>
</tr>
<tr>
<td></td>
<td>Motorhomes over $100,000</td>
</tr>
</tbody>
</table>

### Applicants and Drivers

<table>
<thead>
<tr>
<th>Applicant/Drivers</th>
<th>With a criminal record</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Drivers with international driver’s license</td>
</tr>
<tr>
<td></td>
<td>Residence not permanent (general delivery, shipboard, APO, etc.)</td>
</tr>
<tr>
<td></td>
<td>Not full time residents of Wyoming or Montana</td>
</tr>
<tr>
<td></td>
<td>Needing insurance for a short time or who are planning to move from Wyoming or Montana</td>
</tr>
<tr>
<td></td>
<td>Previously cancelled by another carrier</td>
</tr>
<tr>
<td></td>
<td>Applicants with previous claim exceeding $100,000.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vehicles</th>
<th>Hummers – full size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Refer to the symbol Calculation Screen in the Automobile Quote Program</td>
</tr>
</tbody>
</table>

### Ineligible Drivers

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Any drivers whose accident and violation history would place them in groups 9, 10 or 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any drivers with 3+ chargeable accidents in the last 36 months</td>
</tr>
<tr>
<td></td>
<td>Drivers under 21 with no parental supporting business (<strong>Exception: if previous insurance was with a Farm Bureau Company</strong>)</td>
</tr>
<tr>
<td></td>
<td>Drivers with major/ineligible violations</td>
</tr>
<tr>
<td>Ineligible Vehicles</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td></td>
</tr>
<tr>
<td>• Vehicles equipped for pushing or towing</td>
<td></td>
</tr>
<tr>
<td>• Vehicles equipped for snowplow services</td>
<td></td>
</tr>
<tr>
<td>• Vehicles equipped for catering services</td>
<td></td>
</tr>
<tr>
<td><strong>Use</strong></td>
<td></td>
</tr>
<tr>
<td>• Driver training cars</td>
<td></td>
</tr>
<tr>
<td>• Vehicles rented to others</td>
<td></td>
</tr>
<tr>
<td>• Vehicles used for pickup/delivery service (pizza, cleaners, florists, drug stores, newspapers, etc.)</td>
<td></td>
</tr>
<tr>
<td>• Travel trailers/motorhomes left unoccupied at a campsite or used as a permanent residence</td>
<td></td>
</tr>
<tr>
<td>• Vehicles used for racing competition</td>
<td></td>
</tr>
<tr>
<td>• Vehicles used as pilot cars</td>
<td></td>
</tr>
<tr>
<td>• Vehicles for sale or demonstration by an automobile dealer or salesman</td>
<td></td>
</tr>
<tr>
<td>• Vehicles used for hauling workmen as passengers (except car pools)</td>
<td></td>
</tr>
<tr>
<td>• Car pool vehicles (licensed to more than 1 person)</td>
<td></td>
</tr>
<tr>
<td>• Vehicles provided for the regular use of someone other than the insured</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Use</strong></td>
<td></td>
</tr>
<tr>
<td>• Trucks, pickups, and automobiles used commercially</td>
<td></td>
</tr>
<tr>
<td>• Garage or service station &quot;lender&quot; vehicles</td>
<td></td>
</tr>
<tr>
<td>• Public livery or for-hire vehicles (van pools, taxis, limousines, etc.)</td>
<td></td>
</tr>
<tr>
<td>• Transportation Network Companies -see Automobile Underwriting Guidelines</td>
<td></td>
</tr>
<tr>
<td>• Emergency vehicles</td>
<td></td>
</tr>
<tr>
<td>• Vehicles used for newspaper or magazine distribution/delivery</td>
<td></td>
</tr>
<tr>
<td>• Trucks requiring a state or Federal motor carrier permit to operate</td>
<td></td>
</tr>
<tr>
<td><strong>Physical Characteristics</strong></td>
<td></td>
</tr>
<tr>
<td>• Vehicles with substantial damage or not in operating condition</td>
<td></td>
</tr>
<tr>
<td>• Altered or specialty built vehicles</td>
<td></td>
</tr>
<tr>
<td>• Homemade or kit built vehicles</td>
<td></td>
</tr>
<tr>
<td><strong>Ownership</strong></td>
<td></td>
</tr>
<tr>
<td>• Not registered in Wyoming or Montana</td>
<td></td>
</tr>
<tr>
<td>• Not principally garaged in Wyoming or Montana</td>
<td></td>
</tr>
<tr>
<td>• Vehicles not owned or leased by the insured</td>
<td></td>
</tr>
</tbody>
</table>
Red Flags When Underwriting Automobile Risks

- Married applicant does not want to list spouse or other household members
- Walk-in or call-in business
- Applicant residing outside your county
- No prior insurance
- Persons needing coverage immediately
- More than one lienholder or personally financed automobiles
- Persons unable to read or understand the English language
- Referred by loan company or automobile dealership
- Persons recently divorced or separated
- Undeclared accidents or claims
- Persons with recent claims
- Owns high performance autos
- Persons with temporary license or lost license
- Unemployed
- Residence not permanent (general delivery, shipboard, APO, etc.)

Other red flags to watch for:
- Client is unwilling to schedule an appointment for you to inspect their automobiles.
- Client is unwilling to allow a quote for supporting business.
- Client is eager to know when coverage is bound and how quickly a claim will be paid.
- Client is disgruntled by the way a competitor handled a claim file (or multiple claim files).
- Client recently moved into the community and does not have a job.
Automobile Underwriting Guidelines

Inspections

All vehicles carrying physical damage coverage must be inspected prior to binding coverage.

Territories of Coverage

The automobile policy provides coverage only to occurrences within the United States and its territories and possessions, Puerto Rico, and Canada.

Coverage in Canada

Some Canadian Provinces and Territories require each motor vehicle operator to have an insurance card showing sufficient liability limits to meet their Financial Responsibility Law. A supply of these cards can be requested from the Home Office.

Coverage in Mexico

Coverage from the Mountain West policy cannot be extended once the policyholder crosses the boundary line outside the United States. When traveling by automobile into Mexico, the policyholder should always be encouraged to purchase a Mexican policy upon entering the country.

Moving Out of State

If the policyholder moves outside the states of Wyoming or Montana, the policy will be non-renewed on the next renewal date. The insured should cancel the policy and obtain other insurance as soon as possible.

Please notify the Home Office immediately of all address changes.

Photos

Two color photos showing all sides of the vehicle are required for any physical damage coverage requests on any of the following:

- Antique or classic automobiles
- Motorhomes valued over $100,000
- At underwriter’s discretion
Insurable Interest

- Insurance cannot be written to cover property that is not owned by the named insured. The named insured must be listed on the title of all insured vehicles.
- Autos titled solely by children (age 18 and older) or co-habitators do not meet the requirement for insurable interest and must be insured on a separate policy.
- Automobiles titled to a business and driven by employees do not qualify for the personal automobile policy.

No Previous Insurance

If the reason a policyholder has not had previous insurance is because they have not owned a vehicle, they may be rated as they qualify based on the eligibility requirements for new business excluding the rule regarding previous insurance.

Minors as Policyholders

It is possible to write policies for minors under the age of 18 if we insure the parents’ autos and the following criteria are met:
- The application must be signed by both the minor and the parent or legal guardian.
- The minor’s name must be included either individually or jointly on the title and/or registration of the insured vehicle(s).
- A new application for insurance should be signed by the insured upon reaching the age of majority (same policy number as previous application).

Restricting Drivers

The Driver Exclusion Endorsement FO-40.126 may be added to a policy to exclude a driver from all coverages and all sections, including personal liability, farm and ranch liability, automobile coverage, Inland Marine coverage, and umbrella coverage as coverages pertain to the driver.

Home office approval is required for new business including a driver exclusion.

Newly Acquired Vehicles

Vehicles are not covered unless the insured asks us to insure the newly acquired vehicle during the policy period or within thirty (30) days of its acquisition, whichever is shorter. The insured must pay any additional premium required to insure the newly acquired vehicle.
Rental Vehicles

Vehicles rented by an insured will be covered as a non-owned vehicle as defined by the policy.

Liability will extend to a non-owned vehicle.

If comprehensive and/or collision coverage apply to an insured vehicle, it will also be extended to a non-owned vehicle.

When a loss occurs with a rental vehicle, there are expenses that liability, comprehensive, and collision insurance do not cover. These types of expenses can include loss of use to the rental company, administrative costs, and loss of value to the rental car. Mountain West suggests our insureds purchase the optional coverages offered by rental car companies.

Previously Totaled Vehicles

Previously totaled vehicles do not qualify for full coverage. This includes but is not limited to vehicles that:

- Have been totaled for hail damage
- Carry a salvaged or branded title
- Have been repaired following a total loss (comp, collision, or otherwise)

Vehicles that have previously been totaled may qualify for liability coverage only - please refer to Underwriting.

Transportation Network Companies (TNC)

It is okay to add vehicles used by UBER drivers to a Personal Lines policy; however, it is important to remember the following:

- Livery is excluded by policy definition to all TNC companies.
  - Once the UBER driver logs into his/her UBER App, the Personal Lines policy would not provide coverage.
  - This exclusion applies whether or not a passenger is occupying the vehicle.
- UBER drivers automatically receive $1 million of Commercial Liability coverage through UBER when they sign up as a driver.
  - UBER coverage provides Commercial Liability, Uninsured and Underinsured coverage, as well as Comp/Collision coverage (providing the driver carries full coverage on the vehicle on their personal auto coverage).
- TNC vehicles cannot be added to a Mountain West Commercial policy.
**Vehicles with Existing Damage**

If an insured purchases a vehicle with existing damage or comes from another carrier with a hail damaged vehicle, a dent in the door, etc., the vehicle can be added to the insured’s policy. If the vehicle carries physical damage coverage, we require the Automobile Physical Damage Restrictive Endorsement FO-40.122 to be added.

An estimate of the existing damage is required. The estimate amount will be deducted from the cost of repairs or replacement should the vehicle experience a covered loss.

- The exception to this is if there is existing damage to the windshield. In this case, no estimate will be required.

Required documentation:

- Request for Automobile Physical Damage Restrictive Endorsement
- Estimate of damage

**Vehicles with Existing Hail Damage**

Please be aware that vehicles purchased at a discount due to hail damage will require an estimate and a restrictive endorsement.

The reduced value of the vehicle due to the hail damage will be taken into account in the event of a loss where an adjustment and loss payment would be made.
Motorcycles/Scooters

Coverage for motorcycles/scooters is written only with supporting automobile business. Coverage for a motorcycle/scooter may be written if the motorcycle/scooter is:

- Of factory-built construction;
- Operated principally in Wyoming or Montana; and
- Not used in any contest, demonstration, or competitive event.

Motorcycles cannot be placed in storage.

All licensed motorcycle/scooter operators must hold a valid Wyoming or Montana driver’s license with a motorcycle/scooter endorsement.

Three wheeled manufactured or manufacturer converted motorcycles/scooters qualify for coverage.

- Must be either produced by the manufacturer or converted by a manufacturer.
- No custom made three wheeled motorcycles/scooters are allowed.

Discounts

Motorcycles may qualify for the following discounts:

- Safe driver
- Good student
- Loyalty
- Defensive driving
- Patriot

Youthful Drivers

Youthful drivers (ages 14-25 years old) who operate a motorcycle with 361CCs or more must be rated on that motorcycle.

- There must be an adult in the household. If no adult resides in the household, we will be unable to provide coverage for the youthful driver.
- The youthful driver must also be rated on the private-passenger automobile that they drive.
**Ineligible Motorcycles**

Often customized motorcycles and bikes are ineligible due to the limited availability of replacement parts and the limited number of certified/specialized mechanics for repairs. Ineligible motorcycles include but are not limited to:

- Motorcycles other than standard, factory-built type (i.e., show bikes, choppers, custom trikes, etc.)
- Three wheeled motorcycles and trikes that are not factory built or factory converted
- Custom made bikes

**Motorcycle Use Codes**

<table>
<thead>
<tr>
<th>CC’s</th>
<th>Use Code</th>
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</thead>
<tbody>
<tr>
<td>0-200</td>
<td>K</td>
<td></td>
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<tr>
<td>201-360</td>
<td>L</td>
<td></td>
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<tr>
<td>361-600</td>
<td>M</td>
<td></td>
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<tr>
<td>601-750</td>
<td>N</td>
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<tr>
<td>751-1000</td>
<td>O</td>
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<tr>
<td>1001+</td>
<td>U</td>
<td></td>
</tr>
<tr>
<td>Vehicle Description</td>
<td>Notes</td>
<td>Use Code</td>
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<td>------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Private Passenger Automobiles</td>
<td>An automobile of the private-passenger type, including sport utility vehicles (SUVs) and pickups Available Discounts: Safe Driver, Multi-Car, Good Student, Low Mileage (requires pleasure use rating), Loyalty, Defensive Driving, and Patriot</td>
<td>A</td>
</tr>
<tr>
<td>Electric (Smart) Cars</td>
<td>Rated the same as a private-passenger vehicle Available Discounts: Safe Driver, Multi-Car, Good Student Low Mileage (requires pleasure-use rating), Loyalty, Defensive Driving, and Patriot</td>
<td>E</td>
</tr>
<tr>
<td>Farm Utility Vehicles</td>
<td>A farm vehicle with a pickup body, flatbed, or a cargo van with a load capacity of 1 ton or less We will allow SUVs (Sport Utility Vehicles) if used in the farm or ranch operation. Adult Farm Class applies *Farm driver classes are not allowed on a Country Home policy Available Discounts: Safe Driver, Multi-Car, Low Mileage, Loyalty, Defensive Driving, and Patriot</td>
<td>W</td>
</tr>
<tr>
<td>Farm use/ Farm Truck</td>
<td>A vehicle with a load capacity of 3,000 pounds (1-1/2 ton) or over and designed for carrying loads rather than passengers and used exclusively for farming Base Farm Class: Farm driver classes are not allowed on a Country Home policy. Available Discounts: Safe Driver, Multi-Car, Loyalty, Defensive Driving, and Patriot</td>
<td>F</td>
</tr>
</tbody>
</table>
### Vehicle Definitions, continued

<table>
<thead>
<tr>
<th>Vehicle Description</th>
<th>Notes</th>
<th>Use Code</th>
</tr>
</thead>
</table>
| Livestock Trailer   | A trailer designed for use with a private-passenger automobile or farm truck used to transport livestock  
  
  Full coverage: Add trailer to the policy for comprehensive and collision coverage  
  Liability only: Do not list individually as liability extends from the towing vehicle  
  Liability coverage may extend from the insured’s personal liability when not attached to the vehicle  
  Available Discount: Loyalty  
  If trailer has living quarters, rate as a camp trailer | J |
| Utility Trailer     | A trailer designed for use with a private-passenger automobile, which is not otherwise classified (including trailers used to transport snowmobiles, motorcycles, etc.)  
  Full coverage: Add trailer to the policy for comprehensive and collision coverage  
  Liability only: Do not list individually as liability extends from the towing vehicle  
  Liability coverage may extend from the insured’s personal liability when not attached to the vehicle  
  If trailer has living quarters, rate as a camp trailer.  
  Available Discount: Loyalty | J |
## Vehicle Definitions, continued

<table>
<thead>
<tr>
<th>Vehicle Description</th>
<th>Notes</th>
<th>Use Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel/ Camper Trailers</td>
<td>Designed for use with a private-passenger automobile and used as a temporary dwelling for travel, recreational, and vacation use. Full coverage: Add camper/trailer to the policy for comprehensive and collision coverage Liability only: Do not list individually as liability extends from the towing vehicle Liability coverage may extend from the insured’s personal liability when not attached to the vehicle Required: make, model, size, value, and serial number Available Discount: Loyalty</td>
<td>I</td>
</tr>
<tr>
<td>Campers</td>
<td>Defined as a portable camper unit which may be mounted or installed on a pickup truck Full coverage: Add camper to the policy for comprehensive and collision coverage Liability for not towed: extends from the insured vehicle when attached to the vehicle Liability coverage may extend from the insured’s personal liability when not attached to the vehicle Required: make, model, size, value, and serial number Available Discount: Loyalty</td>
<td>I</td>
</tr>
<tr>
<td>Vehicle Description</td>
<td>Notes</td>
<td>Use Code</td>
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</tr>
<tr>
<td>Pickup Toppers</td>
<td>Also referred to as camper shell or canopy cover Defined as a protective cover designed to be mounted in the box bed of a pickup. Differs from pickup campers in that they do not have an enclosed floor and are not equipped with sleeping and cooking facilities Liability extends from the insured vehicle when attached to the vehicle Liability coverage may extend from the insured’s personal liability when not attached to the vehicle Coverage does not extend from Section I - Coverage C, Personal Property Comprehensive and collision coverage applies only when the Special Equipment Endorsement FO-40-104 has been added.</td>
<td></td>
</tr>
</tbody>
</table>
### Vehicle Definitions, continued

<table>
<thead>
<tr>
<th>Vehicle Description</th>
<th>Notes</th>
<th>Use Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorhomes</td>
<td>The purpose of these vehicles is for vacation and recreational travel</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>Motorhomes that serve as a primary residence are ineligible</td>
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<tr>
<td></td>
<td>Defined as an automobile of the van or bus type, self-propelled and equipped with permanent-type mobile living quarters (including cooking, dining, plumbing, or refrigeration facilities)</td>
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<tr>
<td></td>
<td>Coverage includes equipment and accessories that are built into and form a permanent part of the motorhome. This includes appliances, furniture, and equipment as furnished by the manufacturer as original equipment</td>
<td></td>
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<tr>
<td></td>
<td>Coverage does not apply to personal property located inside the motorhome. Please add the Recreational Vehicle Personal Property Endorsement FO-50.109, if necessary.</td>
<td></td>
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<tr>
<td></td>
<td>Seasonal Rates do not apply as the premium is calculated based on the fact these vehicles are not used year round in WY or MT.</td>
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<tr>
<td></td>
<td>Available Discounts: Safe Driver, Multi-Car, Loyalty, Defensive Driving, and Patriot</td>
<td></td>
</tr>
<tr>
<td>Mini-Semis – Medium Duty Trucks</td>
<td>Trucks greater than 1 ton (12,000 GVW) and less than 40,000 GVW</td>
<td>X</td>
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<tr>
<td></td>
<td>Primarily used for farm and ranch, personal, or recreational use (camping units, horse trailers)</td>
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<tr>
<td></td>
<td>No hauling for hire or business use allowed</td>
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<td></td>
<td>Has either a coupling device or a 5th-wheel trailer hitch</td>
<td></td>
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<tr>
<td></td>
<td>Available Discounts: Safe Drive, Multi-Car, Loyalty, Defensive Driving and Patriot</td>
<td></td>
</tr>
</tbody>
</table>
### Vehicle Definitions, continued

<table>
<thead>
<tr>
<th>Vehicle Description</th>
<th>Notes</th>
<th>Use Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Service Vehicles</td>
<td>Vehicles with permanently mounted feed boxes, manure spreaders, fuel tanks, etc., that are generally operated on the farm premises&lt;br&gt;Discount on liability rates&lt;br&gt;Base Farm Class&lt;br&gt;*Farm driver classes are not allowed on a Country Home policy&lt;br&gt;Available Discounts: Multi-Car and Loyalty&lt;br&gt;Endorsement S shows on stat sheet</td>
<td>F</td>
</tr>
<tr>
<td>Limited Use Farm Trucks</td>
<td>Used 3,000 miles a year or less&lt;br&gt;Used for hauling sugar beets, potatoes, small grains, and similar products&lt;br&gt;Limited Farm Use Questionnaire (Appendix AU-E) must be completed in order to receive this discount&lt;br&gt;Cannot be used with semi tractor/trailer units&lt;br&gt;Available Discounts: Multi-Car and Loyalty&lt;br&gt;Base Farm Class&lt;br&gt;*Farm driver classes are not allowed on a Country Home policy&lt;br&gt;Endorsement U shows on stat sheet</td>
<td>F</td>
</tr>
</tbody>
</table>
### Vehicle Definitions, continued

<table>
<thead>
<tr>
<th>Vehicle Description</th>
<th>Notes</th>
<th>Use Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers Semi-Tractors, Trailers, and Pups</td>
<td>Must be in good physical and mechanical condition</td>
<td>P</td>
</tr>
<tr>
<td></td>
<td>Radius = 200 miles</td>
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<tr>
<td></td>
<td>Limited Farm Use Questionnaire must be completed in order to receive this discount. Use odometer reading for tractor, not applicable for trailer or pup. Annual Low Mileage Verification form is required.</td>
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<td></td>
<td>Driver must be 21 years of age or older</td>
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<td></td>
<td>Do not list individually if trailer is Liability only. Liability extends from the towing vehicle.</td>
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<tr>
<td></td>
<td>Driver must have 2 years or more experience driving truck tractors with semi-trailers</td>
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<tr>
<td></td>
<td>Use actual cash value of tractors and trailers</td>
<td></td>
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<td></td>
<td>Please contact underwriting before binding coverage if the insured will be taking the semi or trailer out of state</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Do NOT Bind if trucks and trailers are:</td>
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</tr>
<tr>
<td></td>
<td>• Leased or loaned to others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Used to transport processed goods or non-farm commodities</td>
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</tr>
<tr>
<td></td>
<td>• Used in hauling for others, other than neighborly exchange</td>
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<td></td>
<td>• Required to have a filing of any kind</td>
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<tr>
<td></td>
<td>• Using out-of-state stickers (indicating trucks are driven to other states)</td>
<td></td>
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<tr>
<td></td>
<td>Available Discounts: Safe Drive, Multi-Car (semi-tractor only; trailer/pup does not qualify), Loyalty, Defensive Driving and Patriot</td>
<td></td>
</tr>
<tr>
<td>Farmers Semi Tractor</td>
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<td>P</td>
</tr>
<tr>
<td>Farmers Semi Trailer</td>
<td></td>
<td>Q</td>
</tr>
<tr>
<td>Farmers Pup Trailer</td>
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<td>R</td>
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</tbody>
</table>
## Vehicle Definitions, continued

<table>
<thead>
<tr>
<th>Vehicle Description</th>
<th>Notes</th>
<th>Use Code</th>
</tr>
</thead>
</table>
| Limited Use Farmers Semi-Tractors, Trailers and Pups | Driven less than 3,000 miles per year  
Radius = 200 miles  
Limited farm use questionnaire must be completed in order to receive this discount. Use odometer reading for tractor, not applicable for trailer or pup. Annual low mileage verification form is required  
Do not list individually if trailer is Liability only. Liability extends from the towing vehicle.  
Discount applies to Physical Damage  
Use actual cash value of tractors and trailers  
Please contact underwriting before binding coverage if the insured will be taking the semi or trailer out of state  
Do NOT Bind if trucks and trailers are:  
• Leased or loaned to others  
• Used to transport processed goods or non-farm commodities  
• Used in hauling for others, other than neighborly exchange  
• Required to have a filing of any kind  
• Using out-of-state stickers (indicating trucks are driven to other states) | P, Q, R |
### Private Passenger Automobile Optional Endorsements

Please refer to the policy for actual language

<table>
<thead>
<tr>
<th>Optional Endorsements</th>
<th>Comprehensive Coverage Required?</th>
<th>Collision Coverage Required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>FO-40.101 Additional Insured – Auto Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-40.101A Additional Insured – Lessor</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.104 Increased Limits “Special Equipment” Coverage</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.105 Loss Payable Clause</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.108A Named Person Accidental Death and Dismemberment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-40.113 Driving Government Vehicle</td>
<td></td>
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<tr>
<td>FO-40.116 Drive Other Auto</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-40.117 Rental Expense Insurance</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.118 Additional Living Expense</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.122 Automobile Physical Damage Restrictive Endorsement</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>FO-40.130 New “Auto” Replacement or Repair</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.124 Employer’s Non-Ownership Liability (CQ only)</td>
<td></td>
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</tr>
<tr>
<td>FO-40.125 Increased Limit of Liability for Specified Driver</td>
<td></td>
<td></td>
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<tr>
<td>FO-40.126 Driver Exclusion Endorsement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-40.127 Driver Other Auto (Physical Damage)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-40.131 Premier Auto</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-30.132 Additional Loss Payee</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Additional Insured Auto Liability (FO-40.101)

This endorsement modifies the definition of insured to include a person or organization named in the declarations, *but only with respect to liability* arising out of the insured’s use of the described insured auto.

Additional Insured Lessor (FO-40.101A)

This endorsement modifies the definition of insured auto to include any auto leased to the insured and shown in the declarations.

It also amends the definition of insured to include the lessor named on the declarations as an additional insured, *but only with respect to liability* arising out of the insured’s use of the leased auto.
Increased Limits “Special Equipment” Coverage (FO-40.104)

A limit of $3,000 for Special equipment is automatically given, then the insured can purchase an increased amount if needed.

This endorsement provides coverage for items specifically excluded under physical damage coverage. For example: non-factory installed items such as stereos and speakers, wheels, gauges, equipment, and custom paint.

Vehicle must carry comprehensive and collision coverage.

The deductible for special equipment must be consistent with comprehensive and collision deductibles carried on the vehicle.

Special equipment could include customizations to accommodate handicap access to a vehicle.

Photos may be requested at the underwriter’s discretion.

Loss Payable Clause (FO-40.105)

Under this endorsement, for any loss payable under Coverage S or T (Comprehensive or Collision) – the amount due will be paid to the insured and the loss payee shown in the declarations for their financial interest in the insured property.

This endorsement is automatically added when there is a lienholder. When the coverage on a vehicle is reduced to Liability only (both Comprehensive and Collision are removed) – the lienholder’s interest should be removed.
**Named Person Accidental Death and Dismemberment / (FO-40.108A)**

Benefits can be provided for death or dismemberment caused by an automobile accident. The named person must be occupying or be struck by a land vehicle or trailer. The death or dismemberment must occur within one year from the date of the accident.

Coverage is limited to household family members.

Available limit is $10,000.

The name and birth date of each person to whom this coverage applies must be listed.

**Driving Government Vehicles (FO-40.113)**

This coverage extends Coverage N - Liability coverage to any accident occurring while the insured is driving vehicles or equipment furnished or owned by the United States Government, states of Wyoming or Montana, or any political subdivision of those governments.

Coverage is excess to any valid collectible insurance.

Coverage applies to either your business or pleasure use of the vehicle.
**Drive Other Car (FO-40.116)**

This endorsement extends the following coverages to the insured while he/she is operating a motor vehicle that does not qualify as a non-owned vehicle:

- Coverage N – Liability
- Coverage Q – Medical Payments
- Coverage O – Underinsured Motorist Coverage
- Coverage P – Uninsured Motorist Coverage

This endorsement does not cover a motor vehicle:

- Owned in whole or in part by the insured or any relative.
- Registered to the insured or any relative.
- Used to transport persons or property for hire.

This does not provide liability coverage for the owner of the vehicle.

Coverage is excess to any valid collectible insurance.

**Rental Expense Coverage (FO-40.117)**

The named insured receives reimbursement for necessary rental expenses of a similar substitute vehicle.

This endorsement can only be applied to private-passenger vehicles (A) or farm utility vehicles (W). Comprehensive and collision coverages must be written on the described vehicle.

Disablement must result from a covered comprehensive or collision loss other than theft of the entire vehicle.

Exclusions include: loss of use, diminution in value, fees and towing/storage charges, Operating expenses of rental vehicle; and damage, liability, or any other waiver or product.

Maximum limits are $50 per day and $500 per occurrence. No deductible applies.
**Additional Living Expense (FO-40.118)**

This endorsement reimburses the named insured for additional living expenses incurred as a result of the disablement of an insured vehicle due to a covered loss if the loss occurs more than 100 miles from where the vehicle is principally garaged.

Described vehicle must carry comprehensive and collision coverage.

Maximum limit is $300 per disablement.

Vehicle must also be out of service at least for 24 hours before coverage applies.

No deductible applies.

**Automobile Physical Damage Restrictive Endorsement (FO-40.122)**

This endorsement is applied to a vehicle being added to the policy which has existing damage. Adding this endorsement reduces our liability for Comprehensive (Coverage S) or Collision (Coverage T) to either the actual cash value reduced by the amount of existing damage or the cost of repair or replacement reduced by the existing damage. Any deductible that applies is then subtracted.

Estimate for damage must accompany the endorsement.

Described vehicle must carry comprehensive coverage.

**Automobile Replacement or Repair Cost (FO-40.123)**

This endorsement will increase the limit of liability for the loss of a covered vehicle, five years old or newer, to be the lesser of  
- Replacement with a new auto of:  
  - Same make if possible  
  - Similar auto size and class and  
  - Similar body type and equipment or  
- The cost of repair or replacement based upon the lesser of:  
  - Our cost of repair or replacement or  
  - A competitive bid or estimate approved by us

Deductible applies.

Only private-passenger vehicles (use code A) qualify for this endorsement.

Vehicle MUST carry comprehensive & collision coverage to qualify for this endorsement.
This endorsement cannot be added to a leased vehicle.

This endorsement automatically drops off at renewal after the vehicle is five years old.

There is no coverage under this endorsement for loss caused by fire, theft, or larceny.

*Update: this endorsement is no longer available to be added but will remain on vehicles it has already been added to. Please see New “Auto” Replacement or Repair (FO-40.130).

Employer’s Non-Owned Liability (FO-40.124)
(Country Squire only)

This endorsement amends the definition of non-owned auto to include Coverage N Liability - bodily injury or property damage arising out of the use of a non-owned auto:

- By an employee; and
- Within the scope of their employment; and
- Used in the operation of the insured’s farm; and
- With their permission

The coverage does not apply to:

- Autos owned by or registered to the insured or their relatives
- Autos owned by insured’s partners, executive officers, or their spouses
- Autos hired leased or loaned to insured, their relatives, or partners, executive officers or their spouses
- Comprehensive (Coverage S), Collision (Coverage T), Medical Payments (Coverage Q), Uninsured (Coverage P) and Underinsured (Coverage O) Coverage

Coverage is excess to any valid collectible insurance.
Increased Limit of Liability for Specified Driver (FO-40.125)

Permissive drivers are limited by policy language to state minimum drop-down limits. This endorsement provides specific permissive drivers with the potential of full policy limits.

The permissive driver must be listed AND rated on the policy with this endorsement attached to be eligible for full limits.

**Ineligible**
- Employees
- Permissive drivers with automobile insurance with Mountain West, or anywhere else, do not qualify for this endorsement without prior Underwriting Approval.

Driver Exclusion Endorsement (FO-40.126)

Drivers listed as excluded in the declarations are excluded from all coverages and all sections while operating an auto, recreational motor vehicle, snowmobile, or motorized watercraft of any type.

This endorsement does not remove liability coverages while the excluded driver is engaged in farming activities with mobile agricultural machinery and unlicensed equipment while on the insured location or crossing public roads.
**Drive Other Auto (Physical Damage) (FO-40.127)**

An auto described in the declarations will be considered an insured auto for Coverages S (Comprehensive) and Coverage T (Collision).

The insured must have the permission of the owner of the auto.

The described auto cannot
- Qualify as a non-owned auto
- Be owned in whole or in part by the insured or their relative
- Be registered in the insured's name or the name of their relative
- Be used in transporting people for a fee
- Be used in the course of business or business activities

A $500 deductible applies to Coverages S (Comprehensive) and Coverage T (Collision).

Coverage is excess over any other valid and collectible insurance.

Any losses paid will be paid to the owner of the auto.

An automobile change form with all required vehicle information must be submitted to the home office to add this endorsement. The vehicle will be added with Use Code Z.

**Described Owner (FO-40.128)**

This endorsement provides coverage for personally owned automobiles and/or trailers when the named insured on the policy is a Trust, LLC, and/or Corporation, etc.

- Example: Ranch is owned by Johnson, LLC. Jim Johnson is the principal of the LLC so his personally owned automobiles could be added to the policy with this endorsement.

**New “Auto” Replacement or Repair (FO-40.130)**

This endorsement replaces Auto Replacement or Repair Cost (FO-40.123)

Provides coverage for a period of two (2) years from the manufacture year of “your” “auto”.

This endorsement will increase the limit of liability for the loss of a covered vehicle, two years old or newer, to be the lesser of
- Replacement with a new auto of:
  - Same make if possible
  - Similar auto size and class and
Similar body type and equipment or
  - The cost of repair or replacement based upon the lesser of:
    o Our cost of repair or replacement or
    o A competitive bid or estimate approved by us

Deductible applies.
Only private-passenger vehicles (use code A) qualify for this endorsement.

Vehicle MUST carry comprehensive & collision coverage to qualify for this endorsement.

This endorsement cannot be added to a leased vehicle or a vehicle with a physical damage restrictive endorsement.

This endorsement automatically drops off at renewal after the vehicle is two years old.

Premier Auto (FO-40.131)

Endorsement available on full coverage vehicles only.
  Vehicle types: private passenger, classic, antique, electric/smart cars, & farm utility

Benefits include:
  - Rental increased to $1000 with no $50/day limit
  - Additional living expense increased to $500
  - Personal property increased to $500
  - Medical expense for “your” pet $1000 per occurrence
  - Special Equipment increased to $5,000
  - Glass deductible decreased to $100

Additional Loss Payee (FO-40.132)

Any loss payable under coverage S- Comprehensive or Coverage T – Collision shall be paid to the insured and the additional loss payee shown.
Private Passenger Automobile Discounts

All discounts are approximations. Actual discounts may vary based on rounding and rating factors.

Safe Driver Discount

New business
A three-year or six-year Safe Driver discount will be applied to new business policies if one of the following is included with the application:

- A current renewal notice showing the previous insurance company was giving a similar discount to the insured.
- A letter from the previous insurance carrier stating:
  - That a Safe Driver Discount was given prior to the expiration of the policy; or
  - The past three-year or six-year claims history of the insured.

Renewal business
- Level One: Three-year Safe Driver Discount will be applied to renewal business if the policy has been in force for at least three years and there have been no chargeable claims paid in excess of $1,200 during the three years ending two months prior to the current expiration date.
- Level Two: Six-year Safe Driver Discount will be applied to renewal business if the policy has been in force for at least six years and there have been no chargeable claims paid in excess of $1,200 during the six years ending two months prior to the current expiration date.
- Any chargeable claim payment in excess of $1,200 will drop the discount by one level at the next renewal.

Youthful Drivers (Ages 15-24)
- Drivers previously not assigned to vehicle insured with Mountain West
  - The driver’s initial Safe Driver Discount level will be set to match the worse of the parent’s (Policyholder and Spouse) levels and then adjusted for any chargeable accidents.

  Ex: John and Jane Smith add their 16-year-old son (Jack) to the policy. John receives a 3-year discount level and Jane receives a 6-year discount level. Jack’s initial discount level would be set at 3 years.
  - If the youthful driver is the policyholder, their Safe Driver Discount level will be set based upon the new business guidelines above.

- At subsequent renewals, youthful driver’s levels will be handled per their own accident experience in accordance with the renewal business guidelines above.
Not-at-fault accidents do not affect the Safe Driver Discount.

See Discount Applicability Chart for list of vehicles that apply.

Drivers who had no need for insurance and were not driving in violation of compulsory insurance laws will be treated as if they were receiving the discount during that timeframe.

**Antique and Classic Auto Regular Use (FO-40.102)**

Antique and Classic automobiles are private-passenger vehicles that are in exceptional condition or have been restored to original condition. These vehicles are maintained primarily for use in exhibitions, club activities, parades, etc.

**Rules**

**Antique Vehicles** – 25 years or older
- Must be restored to parade and/or show condition
- Must not be driven to or from work or school on a daily basis
- May not be driven in excess of 2,000 annual miles
- Can only be written with supporting automobile business
- No street rods, Rat Rods, or kit cars
- Replicas and vehicles modified for performance do not qualify
- Not available to anyone who deals in antique or classic automobiles
- Use Code G

**Classic Vehicles** – 15 years or older
- Must be restored to parade and/or show condition
- Must not be driven to or from work or school on a daily basis
- May not be driven in excess of 2,000 annual miles
- Can only be written with supporting automobile business
- No street rods, Rat Rods, or kit cars
- Replicas and vehicles modified for performance do not qualify
- Not available to anyone who deals in antique or classic automobiles
- Use code C

Multi-Car and Loyalty Discounts apply.

$500 minimum deductible is required when either of these endorsements are added.

Described vehicle must carry comprehensive coverage.
**Appraisals**
Underwriting uses the “Old Cars Price Guide” for reference in determining the values. If a value greater than what is listed in the “Old Cars Price Guide” is requested, an appraisal or bill of sale to justify the value will be required.

**Photos**
Photos are required on all antique and classic automobiles that carry this endorsement. These photos provide justification for the discount in premium.

**Multi-Car Discount**
The Multi-Car Discount applies to two or more private-passenger automobiles when they are insured with Mountain West provided:

- Automobiles must be principally used by co-habitators or relatives residing in the same household, or
- Children of insured drivers age 15-24 if they:
  - Were previously listed on the parent’s policy, and
  - Have moved out of the household, and
  - Still qualify for a Mountain West policy

See Discount Applicability Chart for list of vehicles that apply.

**Low Mileage Discount**
A discount can be applied to private-passenger vehicles if the total annual mileage driven qualifies for one of the below tiers:

- <500 miles/year
- 500-1500 miles/year
- 1500-3000 miles/year
- 3000-7500 miles/year

Adult driver class only (drivers over 25).

A Low Mileage Verification form showing vehicles and odometer readings must be submitted in order to receive this discount.

Vehicles with broken odometers do not qualify.

Odometer readings should be submitted between 60 days prior to renewal and 30 days after renewal, within 30 days of adding a new vehicle, or at inception of a new policy.

See Discount Applicability Chart for list of vehicles that apply.
Loyalty Discount

A discount is extended to those clients who have had their autos insured with Mountain West Farm Bureau for three years. New customers who can provide evidence that they have been continuously insured by a preferred-risk carrier may also qualify for this discount.

Examples of evidence include:
- Renewal bill from previous insurer showing policy inception date
- Documentation from previous carrier showing how long the insured was with the previous insurer
- Signed letter from insured stating how long they have been continuously insured with previous company
- Question 2 on the application must be fully completed in order for the Loyalty Discount to apply

If the policy lapses, the discount is lost.

Drivers who had no need for insurance and were not driving in violation of compulsory insurance laws will be treated as if they were insured with one insurer during that timeframe.

This discount does not automatically apply. To request the discount, a note must be made on the application.
Senior Citizen Defensive Driving Discount (55 Alive)

A discount will be applied for any driver age 55 or over who has completed a qualifying defensive driving course.

Certification of the driving course must be submitted.

Qualifying courses:
- 55 Alive
- National Safety Council Drivers Education
- AARP Defensive Driving Course (including the 4-hour online version)
- 10 Star Driver Course
- University of Wyoming Defensive Driving Course
- Montana D.R.I.V.E adult workshop
- Smith System Driver Improvement Institute Course
- IMPROV online course
- Drive Safe Today
- WYTRANS Safe Driver Training
- State of WY and/or MT (must be greater than 2 hours)
- Additional courses may be considered if the driver participates in 6-8 hours of classroom training and a syllabus of the course is submitted – submit to underwriting for prior approval

Once this discount is added, it will be continuous for three years. A notice of recertification will be sent to the insured 90 days prior to the three-year expiration date. If a current certification of completion is not received, the discount will be removed at the next renewal date of the policy.

See Discount Applicability Chart for list of vehicles that apply.

Patriot Discount

A discount of will be applied for military personnel, including the National Guard, who have taken a military-sponsored defensive driving course or qualifying course under the Senior Citizen Defensive Driving Discount.

Certification of the driving course must be submitted.

Once this discount is added, it will be continuous for three years. A notice of recertification will be sent to the insured 90 days prior to the three year expiration date.

If a current certification of completion is not received, the discount will be removed at the next renewal date of the policy.

See Discount Applicability Chart for list of vehicles that apply.
Good Student Discount

Students who qualify include youthful operators between the ages of 15-24 who are:

- Carrying an intermediate, hardship, or regular license; and
- Enrolled in high school or an accredited college or university as a full-time student (9+ hours)

The following documentation is required at the time the discount is added:

- A copy of the report card or a certified statement by a school official, indicating attainment of either a current or cumulative Grade Point Average (GPA) of at least a B or 3.0 is required.

Home school students must provide evidence of ranking in the upper 20% of one of the following national standardized tests administered within the past 12 months:

- PSAT (Preliminary Scholastic Aptitude Test)
- PLAN (Preliminary American College Test)
- SAT-1 (Scholastic Aptitude Test – 1)
- ACT (American College Test)
- Iowa Test of Basic Skills
- California Achievement Test

Documentation must be submitted every 12 months to continue this discount.

The discount will be continued after completion of the operator’s undergraduate work provided the operator graduated from an accredited two- or four-year college or university.

The Good Student Discount terminates when the operator reaches age 25.

This endorsement can be added at any time during the policy term.
Discount Applicability Charts

Package and Loyalty Discounts apply to all Use Codes.

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<thead>
<tr>
<th>Vehicle Type</th>
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Revised 4/2020
### Discount Applicability Charts, continued

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Discount Applicability Charts, continued

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*** - if over $100,000

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</tr>
<tr>
<td>Eligible Groups</td>
<td>All</td>
<td>Eligible Groups</td>
<td>Base</td>
</tr>
<tr>
<td>Pkg and Loyalty Disc</td>
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</tr>
<tr>
<td>Safe Driver</td>
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<td>Safe Driver</td>
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</tr>
<tr>
<td>Multi-Car Discount</td>
<td>No</td>
<td>Multi-Car Discount</td>
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</tr>
<tr>
<td>Good Student Discount</td>
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<td>Good Student Discount</td>
<td>No</td>
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<tr>
<td>Low Mileage Discount</td>
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<td>Low Mileage Discount</td>
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<td>Defensive Driving Discount</td>
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<td>Patriot Discount</td>
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<td>Patriot Discount</td>
<td>Yes</td>
</tr>
<tr>
<td>Photos Required?</td>
<td>Yes, if requested by UW</td>
<td>Photos Required?</td>
<td>No</td>
</tr>
</tbody>
</table>
Private Passenger Rating Factors

Driver Classes

**Single Car Risks**

Assign the highest driver class to the vehicle.

**Multi-Car Risks**

**Adult Drivers**

Assign to the vehicle principally used by that driver.

**Youthful Drivers**

Youthful drivers must be assigned to a vehicle if they have a license that permits them to drive a vehicle without adult supervision.

- **Learner’s permit** - The youthful driver is required to drive with an adult in the vehicle, their driver information is required, but they do not need to be rated on a vehicle at that time.
- **Graduated license** – The youthful driver is allowed to drive independently subject to restrictions imposed by their state of licensing. *These drivers must be rated on the vehicle they use most.*
- **Full license** – The youthful driver is allowed to drive independently with no restrictions imposed by the state of licensing. *These drivers must be rated on the vehicle they use most.*

Youthful drivers must first be assigned to those vehicles that they principally drive.

- If a youthful driver drives more than one vehicle, the youthful classification will apply to the vehicle with the highest total premium.
- If the number of vehicles is equal to or greater than the number of drivers, then each youthful driver must be rated as a principal driver.
- When two youthful drivers share a vehicle, the highest rated youthful driver must be assigned to the vehicle as a **principal driver**.
- Youthful drivers rated on motorcycles must also be rated on the private passenger automobile that they drive.
- When you have more underage drivers than adults, all of the underage drivers must be rated.
- Occasional driver rates will be only allowed:
  - When there are more drivers than vehicles; or
  - When a child is away at college without a vehicle but comes home for holidays and summer vacation

See Discount Applicability Chart for list of vehicles that a youthful driver can be rated to.
**Children Away at School**

A child who attends school away from home and has use of a listed automobile must be rated as a principal driver of that vehicle. Note: In order to be considered for full policy limits, child must have been a resident prior to moving to attend school and be under the age of 26.

A child who attends school away from home without a vehicle but drives during school holidays and summer vacations will be rated as an occasional driver.

A child who attends school 300 miles or more away from home and resides there without a vehicle during the summer does not need to be rated. List the child on the application with complete information including the name and location of the college and the estimated graduation date. They will show on the stat sheet as a “temporarily excluded driver.”

**Retired Farmers/Farmers Who Reside in Town**

Vehicles owned by retired farmers will be classified as farm use if the insured lives on the farm premises and the vehicles meet the usage requirements.

Vehicles owned by farmers residing in town will be classified as farm use if the vehicle is garaged on the farm and the vehicle meets the usage requirements. All other vehicles must be rated as pleasure use.

**Hardship Licensed Drivers**

Youthful drivers who have obtained a hardship license must be rated as a principal driver on the vehicle being driven regardless of the amount they drive.

A youthful driver with a hardship license cannot be written on their own individual policy without their parents being listed and the parents’ supporting auto business.
Excluded Drivers

Effective May 19, 2014, a new field providing the ability to differentiate restricted status has been added to the Quick Quote Software. Under Driver Exclusion, where previously there was a check box to mark if a driver should be excluded, there is now a drop down with options.

Drivers who are excluded from All Coverages are those who need to be named on the policy – a package policy where one of the insureds does not qualify for auto coverage with us. Perhaps he/she has an SR22, for example, and we have to place their auto coverage with brokerage. This option does exclude the driver from all coverage.

Individuals who are excluded from Rating are an individual who is not driving, and would possibly fit into one of the following groups. These are expected to be rare occurrences.

- 15 years old and do not yet have a driver’s license/permit and are not yet driving
- Any age and do not have a driver’s license/permit and are not driving or have access to vehicles
- Active military personnel who have been deployed
- On a mission and will be abroad for an extended period of time
- Children away at college with no access to vehicles
- Individuals with physical or mental handicaps that prevent them from driving

Additional Information:
Youthful drivers with learner’s permits represent an increased exposure to the policy. While we do not require them to be assigned to a vehicle, they are part of the policy characteristics and will be factored into the overall premium for the policy through the scoring model.

When an individual is excluded from the coverages, he/she:
- Has no impact on rating – Group Levels, IQ Score etc.
- Should not be assigned to a vehicle
- Will be treated as a restricted driver
When an individual is excluded from rating, he/she:

- Has no impact on rating – Group Levels, IQ Score etc. should not be assigned to a vehicle

Cancellations will be considered for policies where drivers excluded from rating are found to be driving.

**Please Note:**
Prior Home Office approval is required for all drivers excluded from coverage or rating.

The agent will have to get a signed statement from the insured. This could also be done by adding a note on either the application and/or change form.

Information and supporting documentation will be requested to remove the restriction.

*For instance, if we have an individual who was excluded as a driver and the reason was that the individual does not have a driver’s license and is not driving, in order to remove the restriction, information such as a copy of his/her driver’s license will be requested.*

The driver restrictions do not just fall off, they must be requested as mentioned above.
# Vehicle Use for Driver Class

<table>
<thead>
<tr>
<th>Use</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pleasure Use</td>
<td>Vehicle must be used only for pleasure use.</td>
</tr>
<tr>
<td></td>
<td>Vehicle must not be used to regularly drive to and from work.</td>
</tr>
<tr>
<td></td>
<td>No business use.</td>
</tr>
<tr>
<td>Short Commute (Drive to Work)</td>
<td>One-way commute distance is 7.5 miles or less.</td>
</tr>
<tr>
<td>Long Commute (Drive to Work)</td>
<td>One-way commute distance is greater than 7.5 miles.</td>
</tr>
<tr>
<td>Business Use</td>
<td>Vehicle is considered business use if it is used in the duties of an occupation, profession, or business.</td>
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<tr>
<td></td>
<td>Vehicles used to transport dude ranch guests.</td>
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<tr>
<td></td>
<td>If vehicle is titled to the business and/or employees have access to the vehicle, contact Commercial Underwriting.</td>
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<tr>
<td>Farm Use</td>
<td>Vehicle is primarily used for farming and ranching.</td>
</tr>
<tr>
<td></td>
<td>Vehicle is primarily garaged on the farm or ranch premises.</td>
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<tr>
<td></td>
<td>Vehicle is not used for any other occupation.</td>
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Driver Groups

Violations and chargeable accidents in last 36 months will be considered for group placement (new and renewal).

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<thead>
<tr>
<th>Driver Age</th>
<th>21-70</th>
<th>Under 21</th>
<th>Over 70</th>
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<td># Violations # Accidents</td>
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<td>4</td>
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<td>11</td>
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<td>4+ 3+</td>
<td>11</td>
<td>11</td>
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</table>

Drivers in group 9 or above are ineligible for new business.

Policies with a driver who is in group 7 or above are only eligible for maximum liability limits of 50/100/25.

New policies for drivers age 75 or above are only eligible for maximum liability limits of 50/100/25.

Drivers under 21 without parents’ supporting business are not eligible for new business. *(Exception: if previous insurance was with a Farm Bureau Company)*

Any drivers with 3+ chargeable accidents in the last 36 months are ineligible.

Vehicles with an unassigned driver will be displayed with group 99. This includes:
- Farm truck with limited use or farm service
- Antique autos
- Classic autos
- All trailers
- All semi-tractors
Understanding Claims Codes

Claims codes are found on Lexis Nexis reports.

<table>
<thead>
<tr>
<th>Claim Code</th>
<th>Description</th>
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<tr>
<td>BI</td>
<td>Bodily Injury</td>
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<td>Collision</td>
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<td>CP</td>
<td>Comprehensive</td>
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<td>Other</td>
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<td>PD</td>
<td>Property Damage</td>
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<td>Personal Injury</td>
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<td>RR</td>
<td>Rental Reimbursement</td>
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<td>SL</td>
<td>Spousal Liability</td>
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<td>TL</td>
<td>Towing and Labor</td>
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<td>UM</td>
<td>Uninsured Motorist</td>
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<td>Underinsured Motorist</td>
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<th>Disposition Code:</th>
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<tr>
<td>C</td>
<td>Closed</td>
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<td>S</td>
<td>Subrogation</td>
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Limits Available
Available Liability Limits for Automobile business:

<table>
<thead>
<tr>
<th>Liability Limit</th>
<th>Availability</th>
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<tr>
<td>$25,000/$50,000/$25,000</td>
<td>Available for new business</td>
</tr>
<tr>
<td>$50,000/$100,000/$25,000</td>
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</tr>
<tr>
<td>$50,000/$100,000/$50,000</td>
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</tr>
<tr>
<td>$100,000/$300,000/$50,000</td>
<td>Available for new business</td>
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<td>$250,000/$500,000/$250,000</td>
<td>Available for new business</td>
</tr>
<tr>
<td>$100,000 CSL</td>
<td>Umbrella only</td>
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<tr>
<td>$300,000 CSL</td>
<td>Umbrella only</td>
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<tr>
<td>$500,000 CSL</td>
<td>Umbrella only</td>
</tr>
</tbody>
</table>

Split Limits are required on new business.

Combined Single Limits (CSL) are not available for new business without an umbrella.

*Maximum limit available for new policies with drivers in group 7 or above or for new drivers aged 75+.

Available Medical Payments Limits:

<table>
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<tr>
<th>Medical Limit</th>
<th>Availability</th>
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<tr>
<td>$25,000</td>
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<td>$50,000</td>
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Available UM/UIM Limits:

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<td>$25,000/$50,000</td>
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<td>$300,000 CSL</td>
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Deductibles

Deductible options for comprehensive/collision coverages include:

<table>
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<th>Deductible</th>
<th>Availability</th>
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<td>$50</td>
<td>Accommodation for existing business only</td>
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<tr>
<td>$500</td>
<td>Minimum required for new business</td>
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<td>$2,500</td>
<td>Available</td>
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<tr>
<td>$5,000</td>
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</table>

Deductibles should be consistent for all autos on the policy.
### Driver Classes – Private Passenger Automobile

<table>
<thead>
<tr>
<th>2nd Position</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
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<th>I</th>
<th>J</th>
<th>K</th>
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<tbody>
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Example: GD_ would indicate a 53 year old single male.
JF_ would indicate an 80 year old married female.
Example:

PH2 would indicate a 22 year old, single female principal driver with pleasure use.
QC0 would indicate a 17 year old, single male with occasional farm use.

Note: Youthful drivers (under 25) are not eligible for low mileage discount.

A driver class of ZZ will display for vehicles with unassigned drivers. This includes:
- Farm truck with limited use or farm service
- Antiques
- Classics
- All trailers
- All semi-tractors
Violations

Minor Moving Violations

All moving violations or convictions other than major convictions qualify as minor moving violations.

Serious Moving Violations/Ineligible Violations

Examples of violations that are major violations or that are ineligible for coverage include but are not limited to:

- Driving while intoxicated or under the influence
- Administrative per se suspension
- P.A.S.T. (Preliminary Alcohol Screening Test)
- Implied consent
- Stay order
- Any alcohol or drug related violations
- Driving while ability is impaired
- Suspension or revocation of license
- Leaving the scene of an accident/failure to identify
- Racing or speed contests
- Eluding a police officer
- Reckless driving
- Excessive speed (26+ mph over the posted speed limit)
- 100+ mph speeding
- Loaning operator’s license or registration
- Felony
- Driving with license suspended or revoked
- Exhibition of speed
- Exhibition driving

Predictive MVR’s

“Predictive MVRs” are ordered through Lexis Nexis. Their purpose is to reduce the number of actual MVRs we pay for. If a client has had no activity in “x” amount of time, the MVR information will return showing “Predictive Clear – MVR not ordered” because statistics show that driver should have a clear driving record. Occasionally, a “Predictive Clear” message will return for the agent but when the Home Office orders the MVR, it returns a violation. If this is the case, and the agent can send a copy of the MVR showing “Predictive Clear”, we have agreed not to charge for the violation on new business. However, if multiple violations surface, the driver may not qualify for Mountain West. Once the policy goes through the first renewal, the system will automatically charge for any violation showing on the driver’s MVR.
Chargeable Accident

We define a chargeable accident as any claims payment in excess of $1,200 resulting from the following:

- Bodily injury
- Property damage
- Single-vehicle collision loss

Hit and run (by another vehicle) is not considered a chargeable accident.

Violation Definitions

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</tr>
</thead>
<tbody>
<tr>
<td>SP XS 15</td>
<td>Speeding violation for going 15 or more over the posted speed limit.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Speeding on Non-Interstate</td>
<td>Speeding violation. Unknown speed.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Prima Facie</td>
<td>Driving too fast for road conditions.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Speeding</td>
<td>Speeding violation – 26+ mph</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Non-Resident Violator Compact Suspension</td>
<td>Client received a ticket in another state and did not pay the fine. The license was suspended as a result. The out-of-state violation usually does not show up as a separate violation.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Violation</td>
<td>Description</td>
<td>Non-Moving Violation</td>
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</tr>
<tr>
<td>Basic Rule</td>
<td>The driver violated a basic rule of driving. This could be a speeding violation, excessive speed for conditions, or many other minor moving violations.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Out of State</td>
<td>A violation that a driver may get if they are outside of their state of residence when they receive a minor driving violation.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Exhibition of Speed</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>Exhibition Driving</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Racing or Speed Contest</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>Use of Cell Phone While Driving</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Texting While Driving</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Careless Driving</td>
<td>The driver was cited for driving carelessly</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Reckless Driving</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>Negligent Endangerment</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
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<tr>
<td>Eluding a Police Officer</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Leaving the Scene of an Accident/Failure to Identify</td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Violation</td>
<td>Description</td>
<td>Non-Moving Violation</td>
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</tr>
<tr>
<td>Leaving Unattended Vehicle or Animal</td>
<td>This can be anything from the insured leaving a dog in the car, to leaving a running vehicle unattended.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure to Obey</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fail to Exhibit Proof of Insurance</td>
<td>Failing to show insurance documentation when pulled over. <em>Watch for an SR22 requirement.</em></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fail to Use Safety Restraint</td>
<td>Failing to buckle up.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fail to Use Child Safety Restraint</td>
<td>Driver did not restrain child as required by law.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fail to Comply With a Penalty, Restriction, or Condition of Sentence</td>
<td>Criminal offense where the client did not comply with a court order. Used as a weight when making a decision.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancel/Deny False Statement</td>
<td>In Colorado, this means the state is cancelling the license due to conflicting information. We do need to have the insured correct the situation and get their license reinstated.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any Alcohol or Drug Related Violation</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>IntLk</td>
<td>This is the requirement of an interlink breathalyzer in a vehicle after someone receives a DUI. Make sure DUI is not in force and an SR22 is not required.</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Susp MMDDYY MMDDYY</td>
<td>The driver’s license is (or was) suspended from the first time period to the second time period. If the license is currently valid.</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
## Violation Definitions, continued

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</tr>
</thead>
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<tr>
<td>RevHO Declared</td>
<td>This person has been declared a habitual offender by the state, and their license has been revoked.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>P.A.S.T.</td>
<td>Preliminary Alcohol Screening Test. The driver refused to take a field sobriety test and received this violation. Count same as DUI.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Stay Order AI2 or A04</td>
<td>DUI that went through district court and is waiting for the judge or court decision.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Stay Order</td>
<td>More documentation is needed. This could be for unpaid child support.</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
| Driving While Intoxicated or Under the Influence | Driver must be restricted or policy cancelled.  
• If the DUI driver is the only person on the policy, we can cancel mid-term with 30 days notice.  
• If there are other drivers on the policy, we can cancel, but an offer to reinstate until renewal with a restrictive endorsement must be made. |                      |                             | X                            |
<p>| Implied Consent                 | The driver refused to take a field test for sobriety and received this violation. Count same as DUI.                                                                                                       |                      |                             | X                            |
| Driving While License is Suspended or Revoked | In the last 3 years                                                                                                                                                                                     |                      |                             | X                            |</p>
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<td>Administrative per se Suspension</td>
<td>This is a drinking and driving violation and is ineligible for MW. This violation is usually given prior to the DUI conviction. Sometimes, the DUI is not given because the driver works out a deal with the judge so he/she doesn’t have to file an SR22; however, this still does not make the violation eligible.</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td><em>Unaged</em> Dcov</td>
<td>Out of state, underage DUI.</td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Driving While Ability is Impaired</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>DUI Deferral</td>
<td>Final judgment has been deferred until a later time. May result in the DUI not showing up as “guilty” if conditions are met. Court documents required.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Violate Intermediate License Conditions</td>
<td>This could mean many different things including the driver was driving past the limited hours of an intermediate license, or the driver was driving with too many passengers in their vehicle.</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Operating a Vehicle That Has Not Been Properly Registered</td>
<td>Not registering the vehicle.</td>
<td></td>
<td>X</td>
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<tr>
<td>Loaning Operators License or Registration</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Felony</td>
<td></td>
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Revised 4/2020
 Territories

Wyoming Territories – Personal Auto

WYOMING AUTO TERRITORIES

1 – Park
2 – Teton
3 – Sublette
4 – Lincoln
5 – Uinta
6 – Big Horn
7 – Washakie
8 – Hot Springs
9 – Fremont
10 – Sweetwater
11 – Sheridan
12 – Johnson
13 – Natrona
14 – Carbon
15 – Campbell
16 – Converse
17 – Albany
18 – Crook
19 – Weston
20 – Nibrara
21 – Platte
22 – Goshen
23 – Laramie

Revised 4/2020
PERSONAL LINES – INLAND MARINE (SECTION IV)
# Section IV – Inland Marine

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**Introduction**

The Inland Marine policy – Section IV is designed to provide protection for scheduled personal property from direct damage or destruction caused by certain events that are designated as Perils in the endorsements. Some of the endorsements are written on an “All-Risks of Direct Physical Loss Coverage” basis while others are written on a “Named Peril” basis only.

Section IV - Inland Marine coverage cannot be written without supporting Section I – Property coverage. It becomes part of the Homeowner, dwelling property, and all of our package policies, if it is requested. *Inland Marine may not be written as an individual policy.* (In certain cases, it may be possible to add truck cargo coverage to an auto policy with prior Home Office approval.)

Because this coverage only applies to scheduled items, it is essential that each item to be insured is fully described in the policy with an amount of insurance or value applying to each item. The coverage section that follows sets out the requirements for appraisals, photos, etc., for each endorsement.

Documentation of values should accompany most items to be covered. Please note: A previous policy in another company is not satisfactory evidence of value.
Why Add Section IV – Inland Marine

The Inland Marine policy provides several advantages over the Section I Personal Property coverages, as well as provides some coverages that are not available under Section I.

- Many items of personal property are subject to “Special Limits” under Section I. Watercraft is limited to $2,000; jewelry, watches and furs is limited to $3,000 per item in case of theft; silverware loss is limited to $3,000. These are just a few examples. (Refer to Section I coverages in the manual for others.) Under Inland Marine, these items, as well as many others, may be scheduled, and increased limits apply to them.

- Normally, Section I coverage applies to a certain location with only 10 percent of the personal property limits extending away from the insured location. Inland Marine coverages are generally referred to as “floater” coverages, which means these scheduled items are covered anywhere in the world; however, some items are restricted to the U.S. and Canada only. Each endorsement should be checked for these limitations.

- Section I Dwelling Personal Property coverage is always “Named Peril” coverage, which means that a loss is only covered if it is a direct result of certain listed Perils. The Inland Marine policy provides for open Perils in four of the seven endorsements available. The items scheduled under these four endorsements are covered for any accidental direct physical loss with certain exclusions.

- All Inland Marine coverages are scheduled and a complete description of the property insured is required with the application. The description is extremely valuable to the company for identification purposes in case the property is stolen and then recovered. An inventory is also helpful in adjusting a claim, particularly for those items that are difficult to determine values, such as collections, etc.

- Coverage for recreational vehicles, truck cargo, RV personal property, livestock bailee coverage and, in some cases, farm personal property is not offered by Section I – Property coverage and may only be written in Inland Marine. See the Country Squire section of your manual for additional information regarding livestock bailee coverage.
Section IV Rules

Property insured under Section IV – Inland Marine is excluded from coverage under other sections of this policy. For example, Coverage C – Personal Property coverage under Section I is automatically void on an item as soon as that item is specifically insured under Inland Marine. Therefore, the item insured under Section IV must be insured for its total value.

In no case may the total amount of insurance written in Section IV exceed the total amount of insurance applicable to Section I.

- Example: a $30,000 boat may not be written as part of a $20,000 tenant’s policy.

All items should be insured to 100% of current value to provide proper protection for the insured.

Groupings of items are covered for up to $250 per item.

Photos of fine arts, antiques, guns and jewelry are often beneficial to the Home Office underwriting and claims departments. These may not be required, but as agents, you should recognize their value in processing your applications as quickly as possible. The underwriting department may also request photos when deemed necessary.

It is particularly important, especially in regard to fine arts, antiques, and collections, that proper valuation be made and kept up to date. This allows the value to remain current and takes account for inflation and the increase in value common to such property because of scarcity and rising demand among collectors.
**Appraisals, Photos and Deductibles**

Appraisals are needed when the value of an item exceeds $5,000, except where noted below.

Photos may be requested at your underwriter’s discretion.

All appraisals must be 3 years old or newer.

Prior Home Office approval is required on any item valued at $20,000 or more, except where noted below, and may need to be submitted to Brokerage.

Unless otherwise specified, deductible options for items scheduled in the Inland Marine section include:

- $100
- $250
- $500
- $1,000
- $1,500
- $2,000
- $2,500
- $5,000
- $10,000

**Section IV – Inland Marine Endorsements**

**Scheduled Personal Property Endorsement (FO-50.101)**

Coverage is provided for open Perils on scheduled or listed property that falls into one or more of the classes rated below.

Deductible applies.

Please refer to policy language for exclusions.

Rates vary by deductible.
**Jewelry**

The insured must have an insurable interest in the property.

- Example: if an insured gives an engagement ring to his fiancé, he no longer has an insurable interest in it. The ring must be insured on the fiancé’s policy.

- Receipts & colored photos required on items $5,000 - $30,000
  - Appraisals accepted, if receipt not available
- Agent can bind items up to $20,000
  - Preferred agents can bind items up to $30,000
- Items over $15,000 are sent to Claims Link for review, unless receipt is available
- Single items over $30,000 and/or collections over $50,000 must be submitted to Brokerage
- Minimum deductible requirements
  - $5,000 - $15,000 = minimum $250
  - $16,000 - $25,000 = minimum $500
  - $26,000 - $30,000 = minimum $1,000
- Values on existing items cannot be increased as jewelry does not appreciate

**Furs**

Furs include garments trimmed with fur or consisting principally of fur.

**Photo Equipment**

Personal cameras, projection machines, films, and all related articles of equipment are considered photo equipment. All components (i.e., lenses, flash attachments) must be scheduled separately.

**Musical Instruments**

Musical instruments and related articles of equipment are included in this category. Instruments used professionally or for hire are ineligible.
**Silverware**

Includes goldware and pewter, but excludes pens, pencils, flasks, smoking implements, or jewelry.

**Golfer’s Equipment**

Golfer’s equipment includes golf clubs, golf clothing, golf equipment, and golf carts as scheduled.

Golf carts that are used for transportation – to carry people – other than solely for the purpose of golfing must be listed as recreational vehicles.

**Fine Arts**

The property insured is primarily located at the address shown on the Additional Policy Declarations Sheet. In no event will this property be insured outside the limits of the continental United States and Canada.

Loss settlement: we will pay the amount shown for each scheduled article that is agreed to be the value of the article.
**Stamp/ Coin Collection**

Collections valued over $5,000 will be acceptable only if the insured maintains them in adequate safes and agrees to keep excess values in a safety deposit vault when not in use.

Loss settlement: We will pay the amount shown for each scheduled article that is agreed to be the value of the article. When coins or stamps are covered on a blanket basis, we shall pay the cash market value at time of loss but not more than $1,000 on any unscheduled coin collection, nor more than $250 for any one stamp, coin, or individual article or any one pair, strip, block, series, sheet, cover, frame, or card.

**Hand Tools**

Coverage is offered to cover the personal tools of plumbers, mechanics, carpenters, surveyors, etc.

The tools must belong to the named insured.

The tools must generally be kept at the insured’s residence or in their enclosed vehicle.

Items over $500 in value must be scheduled and identified by manufacturer name, model, and serial number.
**Antiques and Collectibles**

Coverage is provided for private collections of such property as china, crystal, glassware, sports cards, dolls, toys, furniture, and other collectibles not eligible as fine arts or stamp/coin collections. Loss or damage of articles on exhibition at fairgrounds or national or international expositions are not covered. Property must be specifically described. Home Office approval is required on items over $5,000.

**Communications Equipment**

This is intended to insure global positioning systems (GPS), amateur radio equipment, and scanners. Items must be scheduled and identified by manufacturer name, model, and serial number.

Items permanently mounted in vehicles are not eligible. *(These items may be written in the Automobile Section as special equipment.)*

**Medical Devices**

We will insure medical devices, including hearing aids, prosthetics, and manual and electric wheelchairs.

Make, model, and serial number of each item is required.

Please note that dental devices do not qualify for this coverage.

**Sports Equipment**

Open Perils coverage on sports equipment including guns, fishing tackle, and bicycles. This does not include boats, outboard motors (except trolling motors), or golf equipment.

Guns must be scheduled and include make, model, serial number, and value.
Recreational Vehicles and Watercraft Physical Damage Endorsement (FO-50.102)

This endorsement provides open Perils coverage on recreational vehicles and boats as listed below. See also Recreational Vehicle Personal Property Endorsement (FO-50.109) for additional coverages on property not permanently attached to the items insured here and under Recreational Motor Vehicle Physical Damage (FO-50.118).

Recreational vehicles that are altered for performance, are high performance, or used for racing/competition do not qualify for Mountain West.

Please refer to policy language for exclusions.

Deductible applies.

Recreational Vehicles

Includes “all-terrain vehicles” (whether licensed for road use or not), snowmobiles, motorcycles not licensed for road use, dirt bikes, mini truck, or other vehicles that go 25 mph or slower, and the equipment that is permanently attached to them.

Each recreational vehicle, trailer, and miscellaneous equipment must be scheduled and insured separately.

Three-wheel ATVs do not qualify for coverage.

Higher deductibles are encouraged on snowmobiles due to normal maintenance required.

Driver’s license number, date of birth, and name of all operators of the recreational vehicles must be submitted. Clients who do not qualify for our personal automobile policy will not qualify for coverage under this endorsement.
Boats, Outboard Motors, and Trailers

This endorsement is intended to cover boats, outboard motors, jet skis, and other personal watercraft. *Home Office approval is required on boats valued over $60,000. Boats that have the ability to exceed 50 miles per hour or are longer than 29 feet in length must be submitted to Brokerage.*

All jet skis use the watercraft rates for 31 + mph and 25 feet or less.

Boats, trailers, and miscellaneous equipment must be insured and scheduled separately. Include value of motor with the value of the boat.

Driver’s license number, date of birth, and name of all operators of the watercraft vehicles must be submitted. *Clients who do not qualify for our personal Automobile policy will not qualify for coverage under this endorsement.*
Truck Cargo – Owner Goods Endorsement (FO-50.105)

“Named Perils” coverage for loss or damage to lawful goods (products) and merchandise carried in or upon the truck and/or trailer scheduled.

It may be possible to add this endorsement to an automobile policy with prior Home Office approval.

A separate amount of insurance must be indicated for each truck and/or trailer.

Each truck and/or trailer described must be insured in Section III Automobile by Mountain West for at least liability coverage.

Property of others carried on a “for-hire” or for “monetary return” basis is excluded from any and all coverage of this endorsement.

This endorsement is also not designed to cover events such as moving your personal property or transporting automobiles or recreational vehicles.

Deductible applies.

**Class 1 Coverage**
Limited to loss to the insured’s goods and merchandise carried in or upon the scheduled vehicle.

**Class 2 Coverage**
Limited to loss to goods and merchandise carried in or upon the scheduled vehicle and shall include the insured’s goods and property of others carried on an “exchange-of-work” basis.
Truck Cargo Unscheduled Owner Goods Endorsement (FO-50.105A)

Provides a “blanket” truck cargo limit. Specific trailers do not have to be scheduled; however, all the client’s vehicles must be insured with Mountain West.

Use the number of trailers and vehicles designed to carry cargo.
- Do not use light to medium duty pickup trucks in this count, only trucks that haul cargo.

Class 1 and 2 coverage is the same as Truck Cargo – Owner Goods Endorsement.

Deductible options are the same as Truck Cargo – Owner Goods Endorsement.

- Unscheduled Truck Cargo is designed to provide a “blanket” limit of insurance for all eligible trailers and vehicles owned by the insured. This blanket limit of insurance should be selected by the client in order to provide adequate coverage for the largest cargo load that any one vehicle may carry. In the case of a loss involving multiple vehicles containing cargo, the limit would apply separately to each vehicle. Therefore, an aggregated total of separate limits is not necessary.
- Example: An insured has four vehicles that could carry cargo. The approximate limit needed for each vehicle is $25K, $35K, $15K, and $20K. The insured could choose to separately schedule each vehicle under Scheduled Truck Cargo. With a $500 deductible and Class 2 selected, the approximate premium would be $807.
- The other option is they could insure the four vehicles under FO-50.105A. From the numbers above, the appropriate limit would be $35,000. With a $500 deductible, the approximate premium is $724.

Rates vary by number of trailers, deductible, limit, and class coverage.
Recreational Vehicle Personal Property Endorsement (FO-50.109)

This endorsement provides open Perils for personal property, including portable accessories, when the personal property is not permanently attached to or contained in or on a recreational vehicle, such as a motorhome or camp trailer.

For amounts in excess of $5,000, a complete itemized list must be submitted.

All property intended to be covered by the insured under this endorsement must be included.

100% coinsurance clause applies.

Deductible applies.

Please refer to policy language for exclusions.

Rates vary by deductible. *There will be no refund on deletion of coverage. Rates have already been adjusted for seasonal use.*
Farm Personal Property Floater (FO-50.115)

This endorsement provides “Named Peril” coverage for scheduled farm personal property that includes items such as machinery, tack, saddles, irrigation systems, hay, grain, straw, silage, fodder, and livestock belonging to the insured and incidental to farming/ranching.

This is not “blanket” coverage, and this property must be scheduled and an amount of insurance shown for each item insured.

It is possible to group some items together such as tack, saddles, tools, spare parts, or repair parts; however, the total value of items grouped together should not exceed $10,000.

Hay, grain, straw, silage, and fodder are covered for loss caused by Peril 1 (fire) only, not to exceed $30,000 in any one stack or hay building. If the stack or hay building is exposed within 125 feet by another stack or hay building, the $30,000 limit shall apply to the aggregate of all such exposed stacks or buildings.

Deductible applies. Available deductible options include:
- $100 (Accommodation for existing business only)
- $200 (Accommodation for existing business only)
- $250 (Accommodation for existing business only)
- $500
- $1,000
- $2,500
- $5,000
- $10,000

Premium is based on type of property, peril, and deductible.

Please refer to policy language for exclusions.
Leased Mobile Agricultural Machinery Coverage (FO-50.117)

Leased Mobile Agricultural Machinery Coverage provides coverage for direct physical loss or damage to leased mobile agricultural machinery resulting from accidental direct physical loss on Country Squire policies. Coverage is provided for Peril Y only.

The amount of insurance should equal the highest combined value for leased mobile agricultural machinery the insured will have in his or her care at any one time.

Rules for Leased Mobile Ag Machinery
Available for Country Squire and Country Home policies only.

Do not schedule specific items.

Leased Mobile Ag Machinery Endorsement can be used for short or long-term leases. There is also leased mobile ag coverage available under the Coverage D blanket if leased less than 90 days. Please refer to the Coverage D blanket section for more information.

Items must remain on the policy for a minimum of 30 days.

If coverage is left on the policy year round, the policy will discount for each full consecutive year for three years up to 30%. If coverage is ever deleted, the full discount is removed and the insured starts over when coverage is added back on the policy.

This endorsement does not include ingestion coverage. Please refer to policy language for exclusions.

Deductible applies. Available deductible options include:
- $100 (Accommodation for existing business only)
- $200 (Accommodation for existing business only)
- $250 (Accommodation for existing business only)
- $500
- $1,000
- $2,500
- $5,000
- $10,000
PERSONAL LINES –
PERSONAL OR FARM &
RANCH UMBRELLA
(SECTION V)
## Section V – Personal or Farm and Ranch Umbrella Coverage

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**Introduction**

The Personal or Farm and Ranch Umbrella Liability policy is designed for preferred risks to provide catastrophe protection for individuals, farm partnerships, or corporations. Umbrellas are only designed to provide coverage to items/locations that are listed on underlying policies.

*Binding authority: The agent can bind up to $1 million in coverage.* Please contact the Home Office if higher limits are needed.

Umbrellas over $5 million require reinsurance approval.

**Eligibility**

Mountain West Farm Bureau must insure all of the underlying policies in order to add Umbrella coverage. Additionally, these policies must qualify for increased limits and other requirements set forth by our reinsurer.

Policies from other carriers cannot be added as an underlying policy on our Umbrella.

**Options:**

Personal Liability – provides no farm liability.
- With Automobile Liability:
  - The umbrella *does not extend* coverage to Uninsured Motorist (UM) or Underinsured Motorist (UIM) coverage.
- With automobiles excluded:
  - Automobile Exclusion FO-60.102

Farm Liability – does not provide personal liability.
- This is used when the owner is not occupying the premises.
Farm Liability and Personal Liability – used on Country Home policies and when personal liability is provided on the Country Squire.

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Add Umbrella?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile (20/ 20M)</td>
<td>No. May be added as an underlying with another policy, if applicable.</td>
</tr>
<tr>
<td>Homeowner (4H/ 4HM)</td>
<td>Yes</td>
</tr>
<tr>
<td>Dwelling Property without liability limits (5F/ 5FM) *</td>
<td>No</td>
</tr>
<tr>
<td>Dwelling Property with liability limits (5F/ 5FM)*</td>
<td>Yes; however, the coverage must be written on a commercial policy.</td>
</tr>
<tr>
<td>City Squire (CP/CPM)</td>
<td>Yes</td>
</tr>
<tr>
<td>Country Home (CQ/CQM)</td>
<td>Yes</td>
</tr>
<tr>
<td>Country Squire (CQ/CQM)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Advantages**

The Umbrella provides excess limits once the underlying limits are exhausted in the event of a catastrophic loss. Additionally, the contract may respond to certain claims where there is no underlying coverage, subject to the self-insured retention of $1,000, including:

- Personal Injury
- Limited world-wide coverage
- Limited contractual

Please refer to the policy language for complete details.

**Maintenance of Underlying Insurance**

All underlying policies must have consistent effective/expiration dates and the same limits.

The insured must maintain the underlying policies. If they do not maintain the policies, the insured will suffer a deductible of those limits. This is an important reason to package the policies.

**Example:**
Automobile policy limits are $250,000/$500,000/$250,000 and it lapses. If there were a loss, the insured is responsible for the first $250,000/$500,000 of liability losses before the Umbrella would provide coverage.
Liability Limits

Umbrella Options

Option 1:
$300,000 CSL (Combined Single Limit) on both Section II and Section III

Option 2:
$300,000 CSL on Section II and $250,000/$500,000/$250,000 split limits on Section III (use rates for a $300,000 CSL).

Option 3:
$500 CSL on Section II. Only if there is no Section III covered under the Umbrella.

If an Umbrella is needed on a Guest Ranch, $500,000 CSL on both Sections II and III is required.

When a Guest Ranch transports guests to and from the airport, a business use rating on the vehicle is required.

Umbrella Limits

<table>
<thead>
<tr>
<th></th>
<th>Option 1 without Guest Ranch</th>
<th>Option 2 without Guest Ranch</th>
<th>Option 3 without Section 3</th>
<th>Option 4 with Guest Ranch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section II</td>
<td>$300,000 CSL</td>
<td>$300,000 CSL</td>
<td>$500,000 CSL</td>
<td>$500,000 CSL</td>
</tr>
<tr>
<td>Section III</td>
<td>$300,000 CSL</td>
<td>$250K/$500K/$250K</td>
<td>N/A</td>
<td>$500,000 CSL</td>
</tr>
</tbody>
</table>
### Liability Extension for Umbrella

<table>
<thead>
<tr>
<th></th>
<th>Personal Liability</th>
<th>Professional Liability</th>
<th>Other Property Insured without Liability Limits</th>
<th>Other Property Insured with Liability Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal or Farm Umbrella</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Commercial Umbrella</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Personal Lines Umbrellas do not cover commercial exposures. Commercial Umbrellas cover personal exposures.

If combining a Personal Lines policy under a Commercial Umbrella, the expiration dates MUST match.

Umbrella coverage can be extended to other property owned by the insured if there is no liability on that property. If the property is covered with liability, please contact your underwriter for assistance.
Ineligible Risks

Ineligible risks include, but are not limited to the following list. Please refer to the policy.

- Drivers over the age of 70 with driving problems
- Farms that manufacture, process, sell, handle, or distribute products other than farm products. Examples include:
  - Dairy farms that pasteurize, bottle, and market their own milk.
- Grain or feed milling, mixing, or blending for others.
- Custom farming receipts over $100,000. Commercial coverage may be available.
- Riding or boarding stables with arenas.
- Farms that are primarily involved in the following:
  - Fish, or the raising of recognized non-domestic animals such as elk, deer, or exotic species.
- Logging or post/pole operations.
- Sawmills.
- Non-farm business income exceeding $20,000 for which coverage is desired. Commercial coverage may be available.
- Fertilizer sales.
- Leasing of equipment.
- All paved airstrips and those used for commercial use.
  - Example includes grass airstrips that are used to fly in dude ranch guests.
- Individuals who have high public profiles.
  - Examples include: politicians, newspaper editors, broadcasters, publishers, reporters, professional athletes, labor leaders, and entertainers.
- Autos used to transport people or goods for others when a charge is made.
  - Includes school buses.
  - Guest Ranch vehicles may be written with prior Home Office approval.
- Watercraft exceeding 50 feet or requiring a crew.
- Sailboats exceeding 26 feet.
- Any exposure not eligible for coverage in the primary policy.
Prior Home Office Approval
Refer the following situations to the home office for pricing and eligibility on a non-bound trial basis. *Do not collect premium, include an effective date, or have the clients sign the application.*

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Red Flags</th>
<th>Additional Information Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>Truck tractors hauling insured’s own agri-goods beyond a 200-mile radius.</td>
<td>• Provide a description of where drivers operate vehicle.</td>
</tr>
<tr>
<td></td>
<td>Drivers over the age of 70.</td>
<td></td>
</tr>
<tr>
<td>Liability</td>
<td>Business exposures that do not qualify as incidental and are not covered by underlying policies.</td>
<td>Commercial policy will be needed.</td>
</tr>
<tr>
<td></td>
<td>Airstrips.</td>
<td>Airstrip questionnaire.</td>
</tr>
<tr>
<td></td>
<td>Dams or reservoirs with the following exposures:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Artificial body of water, fed by fresh water, and standing water exceeds 100 acre feet.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Artificial body of water used for irrigation purposes.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any body of water used for recreational boating purposes or without docking facilities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any body of water that has had an Army Corps of Engineer, American Soil Conservation Survey.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Any unusual situation, contact the Home Office</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sand or gravel pit.</td>
<td>Sand/Gravel Pit questionnaire.</td>
</tr>
<tr>
<td></td>
<td>Water Recreations including, but <em>not limited</em> to, swimming pools and water trampolines.</td>
<td>Photos including surrounding fence, diving boards, and/or slides.</td>
</tr>
<tr>
<td></td>
<td>Guest ranch receipts in excess of $200,000.</td>
<td>Transportation questionnaire. Guest ranch questionnaire.</td>
</tr>
<tr>
<td></td>
<td>Guest ranches or outfitters with little or no farm income will be considered on individual basis.</td>
<td>Must have all acceptable supporting business.</td>
</tr>
<tr>
<td></td>
<td>Private grass airstrips.</td>
<td>Airstrip questionnaire</td>
</tr>
<tr>
<td></td>
<td>Gross receipts in excess of $1 million.</td>
<td>We may need a commercial Umbrella.</td>
</tr>
<tr>
<td>Loss History</td>
<td>Losses over $200,000</td>
<td></td>
</tr>
</tbody>
</table>
Umbrella Exclusions

Coverage for bodily injury, property damage, and personal injury are subject to certain exclusions. Please refer to actual policy language for details on these exclusions.

Our Umbrella treaty specifically excludes certain risks that you should be familiar with. Here is a partial list of some of the exclusions. Please keep in mind, this is a partial list. Contact your underwriter for risks you have questions about.

- Abandonment of property
- Abuse or Molestation.
- Aircraft
- Aircraft Spraying
- Advertisers, newspaper editors and publishers, reporters, broadcasters and telecasters professional liability including personal liability arising out of professional conduct and activities,
- All aircraft and airport risks and exposures except:
  - Contingent liability for agricultural use of aircraft
  - Farm site landings strips for personal use
  - Bodily injury to employees as commercial aircraft passengers in the course of their employment
- Construction, ownership, maintenance, or use of all dams and reservoirs, except for those for personal or farm use.
- Firework displays.
- Gas and electric public utilities.
- Liquor liability, except for host liquor liability.
- Logging and lumbering as respects to automobile liability, Workers’ Compensation, employer’s liability, and general liability.
- Manufacture or formulation of:
  - Ammunition
  - Animal feed if drugs are added, except for insured’s own use
  - Bulk ammonium nitrate
  - Celluloid
  - Chemicals
  - Cosmetics and beauty preparations
  - Explosives
  - Fireworks
  - Flammables including lacquers, paints, varnish, and volatile oils
  - Fuses/detonators
  - Insecticides/pesticides/herbicides, except for the insured’s own use
  - Medicine and drugs
  - Natural or artificial fuel gas, butane, propane, LP or gasoline, except for alcohol at or below 190 proof, warranted for exclusive use as fuel or gasohol and not as beverage, when annual production is less than 50,000 gallons of which at least 75% is for insured’s own use
- Nitroglycerine
- Non-organic fertilizer
- Pyroxylin
- Tobacco products

- Manufacture or production of:
  - Aircraft, aerospace vehicles, or watercraft or their equipment and their parts
  - Autos, trucks, trailers, machinery, and heavy equipment and their parts

- Vehicles operating commercially beyond 200 miles, on a regular basis, from the state line of the state in which they are principally based.

- Mining operations, except for sand and gravel extraction without use of explosives when located on a covered farm.

- Oil and gas exploration, drilling, maintenance, or production except for meter or gauge reading on insured farm sites.

- Railroad operations, right of ways, and equipment, except for incidental sidetrack agreements.

- Risks in the business of operating a taxi, limousine, or bus.

- Sawmills.

- Seedmen’s Errors and Omissions coverage.

- Tanning salons and tanning devices.

- Risks in the business of installation, removal, manufacture or repair of underground tanks.

- Physical abuse, sexual abuse, sexual harassment, sexual molestation, and sexual relations.

- Directors and officers liability.

- Under personal and farm/ranch policies, liability arising out of, based upon, or in any way relating to the transmission or contraction of any communicable disease.

- Liability arising out of the ownership, maintenance, or use of vehicles in organized speed contests.
Rates

All umbrellas require an Umbrella Worksheet or copy of the quote.

Umbrellas with limits over $1 million ($2 million for Preferred Agents) should be submitted on a trial basis.

Property
Premises charges include:

- Up to 160 acres
- Insured-occupied residence (first Coverage A dwelling)
- Up to four Coverage E dwellings
- Watercraft:
  - Powerboats under 50 HP; or
  - Sailboats under 26 feet.
- Unlicensed recreational vehicles follow form. If there is coverage on underlying, there will be coverage on Umbrella
- Employer liability or contingent stop gap, if coverage is on the primary policy (Wyoming Farm umbrella only)
- Farm products liability (Farm umbrella only)

Additional Interests/ Personal Liability

Country Squire and Country Home
If there is more than one Coverage A dwelling occupied by a named insured, personal liability coverage is included with the Coverage A dwelling on the underlying CQ.

- Do not charge for named insured on underlying CQ, Section II
- List head of household or additional insured living in Coverage A dwellings and show “included”
- However, there is a charge for Umbrella

If there is only one Coverage A dwelling occupied by a named insured

Charge one base for the first coverage A dwelling. If more than one Coverage A dwelling, the others are charged as additional interests/personal liability.

Coverage E dwelling occupied by the named insured or additional insured:

Personal liability coverage is not included with Coverage E dwellings. A charge must be made for additional insured and Umbrella charge is made here
**City Squire and Homeowner**

If there is more than one Coverage A dwelling occupied by a named insured, personal liability coverage is included with the Coverage A dwelling.

For Rental dwellings, a charge will be implemented for any rental dwellings added after the first four.

**Automobile**

Automobile charges include:
- Private passenger vehicles (Youthful drivers do have an additional charge)
- Farm Trucks
- Motorhomes

**Inland Marine/ Recreational Vehicles**

For recreational vehicles, if coverage is provided on the underlying policies, there will be coverage on the Umbrella. There is a flat charge on the Umbrella for land recreational vehicles that are listed in Section IV.

There is a charge for Watercraft if over 50 horsepower.

**Other**

Other items charged on the Umbrella include:
- Hot tubs, saunas, or jacuzzis
- Swimming pools:
  - Slides
  - Diving Boards
- Guest Ranch receipts
- Business Pursuits Activities
- Airstrips
- Dams
PERSONAL LINES – COUNTRY SQUIRE
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**Introduction**

The Country Squire is a unique, flexible package policy that can be customized for today’s farmer or rancher.

It is essential that the agent be well acquainted with other sections of this manual regarding rules, qualifications, binding authority, and protection classes prior to writing this line of business. Refer to the corresponding sections of this manual for more information on these types of coverages.

The coverages listed in this section are specific to the Country Squire policy regarding farm personal property, additional dwellings, and outbuildings.

**Available Coverages**

The Country Squire policy will insure a farm or ranch operation including the owner-occupied dwellings, additional dwellings, outbuildings, personal and farm personal property, automobiles, recreational vehicles, and farm and personal liability exposures. Dwelling coverages offered include Special, Deluxe and Standard. Manufactured homes may also be insured under the Country Squire policy. Refer to the mobile home portion of the Sections I and II manual for more details.

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<tr>
<th>Section</th>
<th>Required</th>
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<td>Optional</td>
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<tr>
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<td>Optional</td>
</tr>
</tbody>
</table>

**Advantages**

The Country Squire policy offers a wide array of advantages for your clients. Here is a list of some of those advantages:

- Personal and farm liability
- Blanket protection
- Outbuildings and additional dwellings
- Named persons medical coverage
- Employer’s liability
- Incidental guest ranch operations
- Incidental business activities
**Perils Insured Under Coverage D**

Please refer to the Section I and II Property tab of this manual for a breakdown of Coverage A and Coverage E Perils.

<table>
<thead>
<tr>
<th>Peril</th>
<th>Perils 1-10 and 19-24</th>
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<tr>
<td>Peril 1</td>
<td>Fire or lightening</td>
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<tr>
<td>Peril 2</td>
<td>Preservation</td>
</tr>
<tr>
<td>Peril 3</td>
<td>Windstorm and hail</td>
</tr>
<tr>
<td>Peril 4</td>
<td>Explosion</td>
</tr>
<tr>
<td>Peril 5</td>
<td>Riot or civil commotion</td>
</tr>
<tr>
<td>Peril 6</td>
<td>Aircraft</td>
</tr>
<tr>
<td>Peril 7</td>
<td>Vehicles</td>
</tr>
<tr>
<td>Peril 8</td>
<td>Smoke</td>
</tr>
<tr>
<td>Peril 9</td>
<td>Vandalism</td>
</tr>
<tr>
<td>Peril 10</td>
<td>Theft</td>
</tr>
<tr>
<td>Peril 19</td>
<td>Collision with another object or overturn (no livestock)</td>
</tr>
<tr>
<td>Peril 20</td>
<td>Electrocution to covered livestock</td>
</tr>
<tr>
<td>Peril 21</td>
<td>Direct attack to covered Livestock by dogs or wild animals</td>
</tr>
<tr>
<td>Peril 22</td>
<td>Accidental shooting to covered Livestock</td>
</tr>
<tr>
<td>Peril 23</td>
<td>Collision or overturn to covered livestock</td>
</tr>
<tr>
<td>Peril 24</td>
<td>Drowning of covered livestock</td>
</tr>
</tbody>
</table>
**General Guidelines**

**Occupancy**

Country Squire policies focus on occupancy as a key underwriting element. Premises that are owner occupied are not as likely to have losses because the person with the most interest in the property is living there and caring for the property and keeping the premises free from hazards. Additionally, if a loss does occur, the amount and extent of damage is more likely to be reduced since the owner is there to take care of problems right away.

**Permissible occupancy situations include:**

Owner occupied and operated:
- This includes operation by several family members.

Absentee owner:
- Eligible Farms or Ranches are active.
- Eligible Farms or Ranches have structures present on the property.

This chart shows the risk attributes that will result in eligibility for writing a CQ policy for an absentee owner. Please consult your underwriter prior to binding if you have questions regarding specific situations.

<table>
<thead>
<tr>
<th>Ranch Manager (RM)</th>
<th>RM Years of Experience</th>
<th>RM on Premises</th>
<th>Dwellings</th>
<th>Outbuildings</th>
<th>Eligible?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>&gt;5 Years</td>
<td>N/A</td>
<td>Occupied</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
<td>&gt;5 Years</td>
<td>N/A</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Yes</td>
<td>&gt;5 Years</td>
<td>N/A</td>
<td>Unoccupied</td>
<td>N/A</td>
<td>HOA</td>
</tr>
<tr>
<td>Yes</td>
<td>&lt;5 Years</td>
<td>Yes</td>
<td>Occupied</td>
<td>N/A</td>
<td>HOA</td>
</tr>
<tr>
<td>Yes</td>
<td>&lt;5 Years</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td>No</td>
</tr>
</tbody>
</table>

*N/A – indicates the attribute does not affect the decision in that particular scenario
HOA – Home Office Approval required before binding*
Permissible occupancy situations also include:

Tenant occupied and operated:

- Minimum property coverage must be $20,000.

Ranch/Farm managers’ policy:

- A tenants policy, which may include farm personal property and livestock owned by the manager or hired hand residing on a ranch that he/she does not own.
  - If the Ranch Manager owns/leases acres, they would not qualify for a Ranch Manager policy – please contact your underwriter for other options
- Provides personal and farm liability for the insured.
  - This is the main difference between a ranch manager’s policy and a regular tenant’s policy, which does not include farm liability.
- List all acres that are managed by the ranch manager. Ranch managers receive 50% acre charge for up to 160 acres.

 Territory

Farm and ranch operations outside of Montana or Wyoming do not qualify.

Condition

Dwellings, outbuildings, additional dwellings and equipment must be well maintained and kept in good condition.

The premises must be void of hazards and attractive nuisances.

Fiscally stable operations are necessary.

Gross Receipts

A Country Squire policy is designed for the full-time working ranch; therefore, the gross receipts from farming and/or ranching must be at least 50% of the insured’s total income.
Certificates

An insured may need a Certificate of Insurance to document that our insured has insurance and to fulfill a contractual need.

Required documentation includes:

- Completed copy of the Priority Certificate Request (found on the Portal)
- Reason for the Certificate of Insurance
- If there is a contract, a copy of the contract will be required
  - If the contract involved requires coverages which are not specifically on the policy, a certificate cannot be issued.

Red flags to watch for on a contract:

- Hold harmless or Indemnification Agreements. These must protect our insured’s interests
- Requests for Commercial or General Liability
- Limit requirements that do not meet the insured’s current limits
- A certificate request that seems to be for activities not covered in the insurance contract
Diagrams

A diagram showing the distances between all structures and locations owned by the insured must accompany each Country Squire application. The diagram allows us to verify total exposures at each location as required by our reinsurance agreement with American Agricultural Insurance Company.

Location = Buildings separated by \( \frac{1}{2} \) mile or more from other buildings constitute a separate location.

Structures not intended to be insured should be clearly marked on the diagram (example: NI = Not Insured). Additionally, this must be accompanied with a signed (FO-20.128) restriction for each building.

Handwritten diagrams are acceptable.

Please include photos of all structures located on the property, whether insured, restricted, or self-insured, to coordinate with the diagram. This includes Dwellings, Outbuildings, Other Structures, Described Outdoor Property, Guest Houses, etc.
Annual Policy Review

Country Squire policies will print an annual review, which will be sent to your office 45 to 50 days prior to renewal. The purpose of the review is to discuss the coverages with your client and make any necessary changes to the policy, such as updating amounts of insurance, adding/deleting items including farm personal property inventory, or changing coverages. The insured must sign the review to certify that they have examined their coverages.

Policy reviews should be returned to us by the renewal date, with premium, especially if there is an umbrella on the policy.

Acreage

All acreages located in Wyoming or Montana that an insured owns or leases from or to others for farming or ranching operations should be listed on the Country Squire policy.

If acreage is not listed on the policy, it is not considered an insured location and, therefore, may not have coverage in the event of a liability claim.

Refer to the Farm Liability portion of this section for information on Animal Unit Months (AUMs).
**Unique Exposures**

**Airstrips / Landing Strips**

Airstrips and landing strips used for the personal use of the insured or for crop dusting the farming operation may qualify but must be approved by our reinsurer.

All paved airstrips and those used for commercial use, including grass airstrips that are used to fly in guest ranch guests, are ineligible.

An Airstrip Questionnaire is required (See FAQ Section)

**Dams/Reservoirs**

Dams and reservoirs are an exposure that must be approved by our reinsurer. We will need the following information submitted with the trial application:

- Photos of the dam/reservoir and surrounding area
- Completed Dam Exposures Questionnaire (see FAQ Section)
- Explanation of ownership
- Explanation of use
- Private or public use?
- Recreational use?
- Acre feet of water in the dam
  - Your underwriter can determine acre feet using the following information:
    - Distance across the center of the dam or reservoir (in feet);
    - Length of the dam or reservoir (in feet); and
    - The average depth of the water (in feet)
- Height of the berm or dam structure
- Copy of the most recent Army Corps of Engineers inspection
- Description of insured’s maintenance or inspection procedures

Privately owned naturally occurring ponds, lakes, rivers, or streams, including stock ponds do not require prior approval.
Gravel/Sand Pits

Gravel/Sand pits on the insured’s premises present a unique exposure and must be submitted on a trial. Many risks present a commercial exposure that cannot be covered on the Country Squire policy.

When a client has a gravel/sand pit on premises, we are required by our reinsurer to provide additional information so they can determine whether the risk qualifies. The only types of gravel/sand pit exposures that are eligible are surface operations used solely by the insured and incidental to the farm or ranch.

Required information:
- Photos of the area
- Completed Sand/Gravel Pit Questionnaire. (See FAQ Section).
- What are gross receipts from the gravel pit operation?
- How does the insured extract the gravel (front-end loader, mining, etc.)?
- Does the insured offer any services with the gravel operation, such as landscaping, retail sales, gravel delivery, etc. Please give complete details of the operation.

If a gravel pit is leased to a third party and third party is operating as a full operation, we will need:
- Certificates of Insurance showing our insured as an additional insured, and
- A copy of the contract showing a hold harmless agreement in favor of our insured
Ownership/Entities
Ownership of a farm or ranch determines who or what entity is listed as the named insured on the policy as well as establishing who and what has liability coverage under our contract. Please see individual descriptions of coverage for details.

Individual
The first name listed on the application for the Country Squire becomes the named insured when the property is individually owned. Insureds also include the client’s spouse and resident relatives (related by blood, marriage, adoption, a ward of, or foster child).

<table>
<thead>
<tr>
<th>Coverages</th>
<th>Descriptions</th>
</tr>
</thead>
</table>
| **Farm Liability** | Provides coverage to the insured, family members, and farm employees while acting within their scope of duties of the farm or ranch activities.  
  • All of these members are included in the premium charged for farm liability. |
| **Employer’s Liability Wyoming Only** | May be written to cover farm employees.  
  • Only persons who are paid a wage by the insured will be considered an employee.  
  • The named insured, his or her spouse, or minor children are not considered employees. |
| **Exchange Labor** | • Included with farm liability.  
  • No additional premium. |
| **Named Persons Medical** | Medical payments may be extended to cover an insured and family members working on the ranch.  
  • Applies if they are injured while engaged in work that is necessary or incidental to the farming operations.  
  • Names and birth dates of those desiring this coverage must be listed.  
  • There is a premium for this endorsement.  
  • For more information, refer to Named Persons Medical rates in the Optional Coverages Section. |
| **Personal Liability** | Provided for the named insured, spouse, and family members residing in a Coverage A dwelling for their personal activities.  
  • Coverage A dwellings must be owner occupied.  
  • Insured spouse or family member residing on the insured premises but not in a Coverage A dwelling can be listed as an insured if they desire personal liability coverage.  
  • Premium would apply.  
  • Refer to Section II Optional Coverages.  
  • All persons to be covered for personal liability must be listed – head of household only. |
Corporation

A corporation is an entity granted a charter that legally recognizes them as a separate entity, having rights, privileges, and liabilities distinct from those of its members. This is important to note because of the employer/employee relationship in a corporation. *Spouses or relatives are not automatically insured when the ownership of a policy is a corporation.* Also, all other business activities of the corporation must be listed so these activities may be included or excluded from the policy to prevent any misunderstandings.

<table>
<thead>
<tr>
<th>Coverages</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Farm Liability</strong></td>
<td>Provides coverage to executive officers, directors, stockholders, and other farm employees while acting within their scope of duties of the farm or ranch activities.</td>
</tr>
</tbody>
</table>
| **Personal Liability** | Provided for the corporation members or officers, spouse, and family members residing in a Coverage A dwelling for their personal activities.  
  • Coverage A dwellings must be owner occupied.  
  • Corporate members or officers, their spouses and family members residing and/or working on the insured premises in a Coverage E dwelling need to be listed with personal liability if they desire this coverage.  
  • Premium would apply.  
  • Refer to Section II Optional Coverages.  
  • All persons to be covered for personal liability must be listed – head of household only. |
| **Named Persons Medical** | Medical payments may be extended to cover the residents of a corporate member’s household and their family members who are working on the ranch.  
  • Applies only to injury while engaged in work necessary or incidental to the farming operations.  
  • Names and birth (dates of those desiring this coverage must be listed.  
  • There is a premium for this endorsement.  
  • For more information, refer to Named Persons Medical rates in the Optional Coverages Section. |
| **Exchange Labor** | Included with farm liability for no additional premium. |
**Corporation, continued**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employer’s Liability</strong></td>
<td>May be written to cover farm employees.</td>
</tr>
<tr>
<td>Wyoming Only</td>
<td>• Only persons paid a wage by the corporation will be considered an employee.</td>
</tr>
<tr>
<td></td>
<td>• A W-2 IRS form must be filed for all employees.</td>
</tr>
<tr>
<td></td>
<td>• Corporate members working on the farm or ranch premises and drawing a salary may be covered under employer’s liability.</td>
</tr>
<tr>
<td></td>
<td>o Allow 12 man months for each member.</td>
</tr>
<tr>
<td></td>
<td>• Family members of the corporate members and other employees who are involved in (the operation either part time or full time should be charged man months appropriately.</td>
</tr>
<tr>
<td></td>
<td>o In no event should this be less than three man months.</td>
</tr>
<tr>
<td></td>
<td>• Names of the corporate member and other employees (including family members) desiring employer’s liability should be listed and made part of the home office and agent files.</td>
</tr>
<tr>
<td></td>
<td>• Anyone listed as an employee for purposes of employer’s liability should not be carried under Named Persons Medical.</td>
</tr>
<tr>
<td></td>
<td>o Medical coverage is included with Employer’s liability coverage.</td>
</tr>
</tbody>
</table>

**Partnership**

A partnership is an association of two or more persons in which each agrees to furnish a part of the capital or labor for the farming or ranching operation. Each shares in the profit and losses, which are shown on the personal income tax returns. Partners are not considered an employee of the partnership.

When determining how to list partners in a partnership on the policy, please refer to Individual in the Ownership Entities Section.
LLC – “Limited Liability Company”

An LLC is an association of two or more persons in which each agrees to furnish a part of the capital or labor for the farming or ranching operation, and at least one partner is a partner for financial reasons only. This partner is limited in liability to the extent they have invested in the Limited Liability Company. Each shares in the profit and losses, which are shown on the personal income tax returns. Partners are not considered an employee of the partnership.

When determining how to list an LLC on the policy, please refer to Corporation in the Ownership Entities Section.

DBA – “Doing Business As”

A DBA is not a legal entity in itself. This form of ownership needs to be insured as the core type of business established by the owners/officers.

Example

Doug Graves, DBA as Graves, LLC, would be a corporate ownership.

Brandon Cattell with his cousin Jeff Castor, DBA Brandon and Castor’s Cattle Company, would be a partnership.

Bobby Nest, DBA Birds Nest, Inc., would be a corporation.

Estate

An estate is a legal entity set up to administer a decedent’s property for the benefit of the heirs to that property. The estate name should be shown as the named insured on the policy. It is important to note that any administrators or heirs who are working on the insured premises are employees of the estate and not considered owners.

When determining how to list an estate on the policy, please refer to Corporation in the Ownership Entities Section.
Trust

Revocable Trusts

A revocable trust is a trust that may be altered or terminated during the grantor's lifetime. Since the trust may be altered at any time until the grantor's death, it is considered part of the grantor's estate and is subject to taxation. The property is passed on to the beneficiaries only after the grantor's death, and the revocable trust then becomes irrevocable.

When determining how to list a revocable trust on the policy, please refer to Individual in the Ownership Entities Section.

Irrevocable Trusts

An irrevocable trust is a trust that cannot be changed or canceled once it is set up without the consent of the beneficiary. Contributions cannot be taken out of the trust by the grantor. Irrevocable trusts offer tax advantages that revocable trusts don't. Irrevocable trusts resemble a corporation and should be insured similarly to the corporation.

A trust is an agreement whereby the legal title to the property is transferred to a person or agent, such as a bank, in order to administer the property for another’s benefit. The owner of the trust is the one who holds the legal title not necessarily the “trustee.” The “beneficiary” is the person for whose benefit property is held in trust. The name of the trust will be shown as the named insured on the policy. It is important to note that any beneficiary of the trust working on the insured premises is an employee of the trust. Trustees and beneficiaries of the trust should be listed for the Home Office and agent’s files but will not be listed as named insureds on the policy Declarations.

Examples:

Joe Smith Trust
Jane Smith Trust
Husband and wife trustees on each other’s trust. In this example, they would have insurable interest because each trust owns everything together.

Jane Smith Trust
Son Jon is trustee in this case, no insurable interest.
### Country Squire Coverages – Section I Property

The Country Squire policy is designed to insure the farm or ranch owner’s dwelling, additional dwellings, outbuildings, and personal property through the Section I – Property portion of the policy. Please refer to the Sections I and II – Property manual for underwriting guidelines, coverages offered, and endorsements.

The coverages listed below are specific to the Country Squire policy, regarding farm personal property, additional dwellings and outbuildings.

<table>
<thead>
<tr>
<th>Coverages</th>
<th>Descriptions</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage A Dwellings</strong></td>
<td>Must be occupied by the owner(s) who has an insurable interest (ownership) in the property. Must be occupied at least 75% of the year. Special Form policies are not offered in Protection Class 10.</td>
<td>See Sections I and II for more details.</td>
</tr>
<tr>
<td><strong>Coverage C Personal Property</strong></td>
<td>Covers personal property of the client in the Coverage A location.</td>
<td>See Sections I and II for more details.</td>
</tr>
<tr>
<td><strong>Coverage D Unscheduled Farm Personal Property</strong></td>
<td>Blanket Special limits may apply Must include farm machinery and equipment; May include hay, grain, livestock, and sprinklers</td>
<td>$25,000 minimum. Co-insurance penalty may apply.</td>
</tr>
<tr>
<td><strong>Coverage E Dwellings</strong></td>
<td>All other dwellings must be rated as Coverage E dwellings,</td>
<td>See Sections I and II for more details.</td>
</tr>
<tr>
<td><strong>Coverage E Additional Buildings</strong></td>
<td>Structures other than personal garages and storage sheds. May be written Peril V, W, or X if it qualifies.</td>
<td>See Sections I and II for more details.</td>
</tr>
<tr>
<td><strong>Coverage E Personal Property</strong></td>
<td>Personal property located in Coverage E dwellings and outbuildings. Do not include farm personal property as the policy specifically excludes farm personal property under Coverage E.</td>
<td>See Sections I and II for more details.</td>
</tr>
</tbody>
</table>
Coverage A - Dwellings

Please see Section I – Property

Coverage C – Personal Property

Please see Section I – Property

Coverage D – Farm Personal Property – “Blanket Coverage”

The Country Squire policy provides a means to insure farm personal property. This is important since farm personal property is specifically excluded from Coverage C – Personal Property under a homeowner policy.

Farm personal property is defined in our policy to include personal property that is usual and incidental to the operation of a farm or ranch. It includes livestock, mobile agricultural machinery, tools, supplies, and equipment incidental to the farm and ranch, harvested crops used in, or resulting from a farming operation, property being purchased under an installment plan whether or not the client has the title to the property, sprinkler systems, and borrowed equipment.

Farm personal property located in outbuildings on the premises is included in the blanket. Any items permanently installed in outbuildings, such as stationary milking equipment, should be included in the amount of insurance for the structure.

Blanket coverage for farm personal property extends away from the insured locations except while stored or being processed in manufacturing plants, public elevators, warehouses, seed houses, or drying plants. Coverage does not extend to farm personal property in transit by common or contract carrier or in public sales barns or sales yards.
Special limits on certain items apply. For a list of these items and their special limits, please refer to the Sections I and II tab.

<table>
<thead>
<tr>
<th>Type of Farm Personal Property</th>
<th>Special Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livestock</td>
<td>$2,000 per head</td>
</tr>
<tr>
<td>Borrowed mobile agricultural equipment</td>
<td>$10,000 or 20% of the Coverage D limit (whichever is greater)</td>
</tr>
</tbody>
</table>
| Harvested Crops - Hay, straw, grain, fodder, silage | $30,000 per stack or building  
May be increased by endorsement |
| Portable buildings                   | $10,000 each                                       |

Farm personal property may be written on either an unscheduled blanket (Coverage D) or scheduled on Inland Marine (Farm Personal Property Floater FO-50.115). See the Section IV tab for more details on the Farm Personal Property Floater.

**Advantages of the Blanket**

Farm Personal Property Coverage (the Blanket) covers all of your client’s farm personal property. It also provides immediate coverage when your client purchases a new piece of farm personal property – without having to first contact their insurance agent.

Be sure to refer to co-insurance clause information for details.

Named Perils are specifically designed to cover farming and ranching business exposure.
Farm Personal Property (Blanket) Rules

Minimum limit for blanket coverage is $25,000.

Blanket requires more than one category
- The exception to this is Agricultural Equipment
- If client has only one category, schedule it in Inland Marine – Farm Personal Property
  - For instance if the client intends to insure hay only or sprinklers only you must schedule this under Inland Marine
- Agricultural Equipment must be one of the categories
  - For instance, if the client intends to insure their hay and livestock, and no agricultural equipment, hay and livestock must be insured under Inland Marine

The Perils must be the same for the entire blanket
- Exceptions include hay, grain, and fodder, which may be insured only for Peril V

Blanket items must be insured to 100% of total value of all the insured’s property, including livestock and hay which is insured under the blanket.
- Co-insurance will be enforced if the amount of insurance for the blanket is not equal to at least 80% of the actual value of all farm personal property owned by the insured at the time of loss.
- Co-insurance limitation at $5,000 or 5%

A complete inventory of all farm personal property must accompany each new application, change form adding the coverage, or at the annual review.
- Hay, grain, livestock, and sprinkler systems will be excluded from coverage unless they are specifically listed on the inventory.
- Miscellaneous equipment, tools, saddles, tack, etc may be grouped together
  - Keep categories under $10,000
  - Examples include tools = $7,000; tack = $4,000.

Borrowed Mobile Agricultural Machinery and Unlicensed Equipment Coverage
- The mobile agricultural machinery may not be owned by the insured or provided for the regular use of the insured.
- The coverage is excess over any other insurance carried on the equipment.
- Coverage is limited to $10,000 or 20% of farm personal property, whichever is greater.
- Does not include autos or recreational motor vehicles.
Rented or Leased Equipment Coverage
- Rented or leased mobile agricultural equipment if less than 90 days or $20,000
- Does not include autos or recreational motor vehicles.

Recreational vehicles
- Cannot be added to the blanket.
- Must be insured under Section IV- Inland Marine for physical damage (FO-50.118) and liability coverage (Recreational Motor Vehicle Liability Endorsement FO-30.111).

Farm Personal Property (Blanket) Categories

Agricultural Equipment

This is the only category that can be a stand-alone category on the blanket. However, it must contain more than one item. If there is not more than one item, schedule in Inland Marine.

May be covered for Peril V or Y.

This category will include items such as:
- Mobile Agricultural Machinery (this includes Unlicensed Farm Trucks)
- Tack
- Tools
- Related Equipment and Supplies
**Harvested Crops - Hay, grain, straw, fodder, and silage**

Cannot be the only thing listed on the blanket
- If there are no other items to insure, schedule in Inland Marine

**Covered for Peril V**

Coverage applies to hay or grain stored in stacks or buildings. Un-harvested crops are not covered.

If grain is to be excluded from the blanket, it must be noted on the application and subsequent annual policy reviews.

Limit of $30,000 per stack or building applies to this coverage. Stacks and buildings must be separated by more than 125 feet. Increased stack limits are available by adding the Hay, Straw, and Fodder – Increased Stack Limit Endorsement FO-20.150.

Harvested Crops must be insured to value reflecting the highest possible risk.

50% of the premium pertaining to the hay or grain exposure may be credited to the insured on the next year’s review provided the coverage was there the entire policy period.
- Agent must request this credit on the review.
**Sprinkler systems**

Sprinkler systems cannot be the only thing listed on the blanket.

May be covered for:
- Peril V,
- Peril Y, or
- May be excluded from the blanket altogether.

If sprinklers are to be excluded from the blanket, this must be noted on the application and subsequent annual policy reviews.

Sprinkler Systems should be listed by type (i.e. wheel lines, pivots, or hand lines).

Systems should include pumps and panels.

Systems not used at least seasonally are ineligible.
**Livestock**

Livestock cannot be the only thing listed on the blanket.

Farm Personal Property (Blanket) should contain the total value of all livestock owned by the insured. An easy way to remember this is if they insure one animal, they must insure all of them.

Livestock must be owned by the insured. Livestock means any animal raised as a commodity on your farm. *(Does not include dog breeders or sheep/herd dogs)*

May be covered for:
- Peril V,
- Peril Y, or
- May be excluded from the blanket coverage altogether.

If the livestock are to be excluded from the blanket, it must be noted on the application and subsequent annual reviews.

Special limit of $2,000 per head will apply. If an individual animal value exceeds the special limit, this animal can be scheduled in Inland Marine – Farm Personal Property FO-50.115.
- Livestock with a value in excess of $10,000 per head should be referred to underwriting for prior Home Office approval.
- Note: Mortality coverage may be a better option for the high-valued prize livestock (available through Brokerage).

**Farm Personal Property Deductibles**

Deductibles need to be consistent.

Available Deductible Options include:
- $100 (accommodations for existing business only)
- $250 (accommodations for existing business only)
- **$500**
- $1,000
- $2,500
- $5,000
- $10,000
- $15,000
- $20,000
- $25,000
Farm Personal Property (Blanket) Co-Insurance Clause

Co-insurance is the process of adjusting the amount we pay for any loss to reflect the amount of insurance purchased by your client. It is calculated by comparing the insurance amount to the required minimum amount of insurance. The amount of required insurance is determined at the time of loss.

We apply a co-insurance penalty when the insurance amount is less than 80% of the total property value.

Example

Farmer Joe’s combine catches fire, resulting in a loss of $40,000. Joe has a Coverage D limit of $50,000. After taking an inventory on the premises, the claims adjuster determines there is $100,000 of farm personal property.

\[
\text{Did} \quad \rightarrow \quad \$50,000 \quad = \quad 62.5\% \times \$40,000 \quad = \quad \$25,000 \quad (\text{amt payable})
\]

\[
\text{Should} \quad \quad 80\% \times \$100,000
\]

The deductible would then be applied to this amount ($25,000).

Inventory

It is very important that a re-evaluation of your client’s inventory be done during each annual policy review. This will ensure the proper premium is being collected for the risk and the insured is adequately protected. Most farmers and ranchers today have an inventory on hand as part of their paperwork for farm loans and tax preparations. Ask to examine the inventory and then determine what equipment, if any, has been sold or purchased since the last review. Agents should always maintain an updated copy of the inventory in their files as well.
Ineligible Risks for a Blanket

- Personal property.
- Animals, other than livestock.
- Accounts, bills, currency, deeds, evidences of debt, money, and securities.
- Vegetables (except threshed peas and beans), root crops, bulbs, fruits, cotton, tobacco, and silage.
- Fences, sawmill equipment, windmills, wind charges and their towers, private power, light and telephone poles, radio and television towers, and antennas.
- Motor vehicles primarily designed and licensed for road use other than wagons and trailers designed for farming purpose and used principally on the insured location.
- House trailers, motorcycles, watercraft, recreational motor vehicles, aircraft, or their parts and accessories.
- Unharvested or unthreshed crops or stubble.
- Grain, seed, peas, beans, hay, straw, woodchips, sawdust, and fodder unless loss is caused by fire.
- Structures and buildings except portable buildings on skids in an amount not to exceed $1,000 per building.
- Bees and their larvae.
- Livestock while being loaded, unloaded, or transported by common or contract carrier.

Losses not covered:

- Any damage arising from wear and tear, freezing, mechanical breakdown or failure.
- Loss to livestock:
  - Running into ditches or against fences or other objects.
  - From smothering.
  - Freezing.
  - Loss as the direct result of fright, however caused.
  - Direct or indirect result of blizzards or snowstorms, however caused.
- Water from sprinkler equipment or other piping damaged as a direct result of wind or hail.
- Livestock losses caused by collision with any insured’s vehicle or with the road bed.
- Property that is separately described and specifically insured in whole or in part by this or any other insurance.
Coverage E

Coverage E is an optional coverage added to the Country Squire policy to provide protection for additional dwellings, and personal property located in those dwellings and farm buildings.

The Coverage E structure is insured with “Named Perils;” and losses are paid on an “actual cash value” basis.

Since the condition, use, and occupancy of Coverage E structures varies, it is often possible to make a risk acceptable by limiting Perils and rating classes.

Rules for Coverage E

Please refer to the Section I and II – Property and Liability tab for a complete list of Coverage E rules.

Coverage E Dwellings receive the same territory as the Coverage A Dwelling on the policy.

Diagrams

Buildings that have little or no “utility value” should be documented as “not insured” (n/i) on the diagram or written for Peril V - fire only.

Diagrams must accompany each new application. Diagrams are critical on Country Squire policies.

Newly Constructed

Newly constructed additional dwellings, outbuildings, and other structures are covered up to $5,000 for loss caused by Perils 1-9 prior to being added to an existing policy.

Coverage extends from the date the construction starts to the end of the policy term or 60 days (whichever comes first).

This does not include additions, alterations, or repairs to existing structures.
**Replacement Cost vs. ACV**

Coverage E dwellings, additional dwellings and outbuildings and personal property located in a Coverage E structure are written on an actual cash value basis (replacement cost less depreciation).

We offer the Replacement Cost – Coverage E endorsement FO-20.140 to increase coverage from ACV to replacement cost coverage on qualifying structures.

Mobile homes not on a permanent foundation do not qualify for replacement cost coverage.

Replacement Cost – Personal Property FO-20.113 may be added to personal property located in a Coverage E structure.

**Types of Property – Coverage E**

**Typical Structures Found on CQ**

- Additional dwellings and personal contents
- Outbuildings
  - Barns
  - Loafing sheds
- Hired hand’s house
- Bunkhouses
- Dwellings located away from the main farm or ranch property that the insured owns:
  - Cabin
  - Home in town
  - Residential rental property owned by the insured
**Dwellings, Seasonal Dwellings, and Mobile Homes**

Dwellings, Seasonal Dwellings, and Mobile Homes which due to occupancy, age, or value do not qualify for Coverage A Dwelling.

Other structures (garages, garden sheds, etc.) are automatically insured for 10% of the limit of insurance on the Coverage E item.

**Personal Property**

Personal Property owned by the insured and located in a Coverage E dwelling **must be listed separately for coverage** to apply.

10% of the personal property value will apply for property temporarily located away from the premises.

**Farm personal property**

Farm Personal Property located in an outbuilding (Coverage E) must be listed either on the blanket or as Farm Personal Property in Section IV – Inland Marine. Farm Personal Property is never considered contents.

*Exception - The Leaf-cutter bee larvae. The leaf-cutter bee is the only bee that will pollinate alfalfa. They do not produce honey and do not sting.

- We will accommodate existing policyholders who operate full-time working farms or ranches. For spread of risk, we must have a complete farm and ranch blanket in order to write the bee larvae.
- The larvae will be written as contents of an insured outbuilding (Coverage E) and will be insured only while in that specific building.
  - No underground storage.
- The larvae is the only exposure we will cover.
  - Peril W
  - The actual bees are not eligible for coverage.
- $250 deductible applies.
- If bee larvae is valued in excess of $50,000, the risk must be submitted on an unbound, trial basis.
Outbuildings

Outbuildings used for farming or ranching operations.

Must meet qualifications: amount of insurance, use, condition, and utility value.

Farm buildings and structures included when listed on the Coverage E Declarations include:
- Attached permanent fixtures and sheds on an insured location,
- Attached fences (other than field and pasture fences), corrals, pens, chutes, and feed racks no further than 500 feet from the building; and
- Private utility poles, attached switch boxes, fuse boxes, and other equipment mounted on the poles.

Outbuilding Classification

<table>
<thead>
<tr>
<th>Condition of Building</th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent condition</td>
<td>Not inspected</td>
<td>Not insured to value, poor condition, or not used in the farming operation</td>
<td></td>
</tr>
<tr>
<td>Roof</td>
<td>Less than 20 years old</td>
<td>Good condition or restricted</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>No rolled roofing</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Discount/Surcharge</td>
<td>Discounted</td>
<td>Base Rate – Automatic unless another class is specified</td>
<td>Surcharged</td>
</tr>
</tbody>
</table>

When an outbuilding is added, it is automatically added as Class B. Class A or Class C must be specifically requested on the application or change form.
Valuation Table

Here are some building costs per square foot to assist you in the valuation of outbuildings:

Coverage E Buildings Valuation Table

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barns (wood)</td>
<td>$30-65</td>
</tr>
<tr>
<td>Barns (metal)</td>
<td>20-30</td>
</tr>
<tr>
<td>Dairy barns &amp; equipment*</td>
<td>50-63</td>
</tr>
<tr>
<td>Garages</td>
<td>40-70</td>
</tr>
<tr>
<td>Granaries – steel</td>
<td>1.25-2.00/bushel</td>
</tr>
<tr>
<td>Loafing sheds</td>
<td>15-23</td>
</tr>
<tr>
<td>Pole barns</td>
<td>20-30</td>
</tr>
<tr>
<td>Poultry house</td>
<td>30-52</td>
</tr>
<tr>
<td>Quonsets</td>
<td>20-30</td>
</tr>
<tr>
<td>Shed</td>
<td>5-15</td>
</tr>
<tr>
<td>Shop</td>
<td>10-20</td>
</tr>
</tbody>
</table>

*Commercial Dairy farms are ineligible

Please Note: These costs are averages and may not be specific to your area. Prices do not include plumbing and electrical, except dairy barns and equipment

Coverage E Insuring to value:
Use the below chart for Coverage E and outbuildings minimum insurance to value requirements

<table>
<thead>
<tr>
<th>Peril V (utility value)</th>
<th>Peril W</th>
<th>Peril X</th>
<th>Peril Z</th>
<th>Peril X or Z With RC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured under 50%</td>
<td>Insured 50-80%</td>
<td>Insured up to 80%</td>
<td>Insured to 100%</td>
<td>Insured to 100%</td>
</tr>
</tbody>
</table>
Deductibles must be consistent.

- $100 (accommodation for existing business only)
- $250 (accommodation for existing business only)
- $500 (accommodation for existing business only)
- $500/$1,000 (accommodation for existing business only)
- $1,000
- $1,500
- $2,000
- $2,500
- $5,000
- $10,000
- $15,000
- $20,000
- $25,000

Please note that the 1% and 2% windstorm or hail percentage deductible and the 1% and 2% windstorm or hail co-pay deductible are available for each of the above flat deductibles.

PLEASE SEE THE MINIMUM DEDUCTIBLE REQUIREMENTS CHART FOR ZONE SPECIFIC DEDUCTIBLE REQUIREMENTS.
Minimum Deductible Requirements Chart

These requirements are for new business and are based on zone and type/number of claims.

* Minimum deductible is $1000 or equivalent and two wind/hail or two property claims are ineligible.

<table>
<thead>
<tr>
<th>Zone 1</th>
<th># of Wind/Hail losses in last 36 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1000</td>
</tr>
<tr>
<td></td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td># of Non-Wind/Hail losses in last 36 months</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

* For clients who are loss free or one minor loss, can accommodate lesser deductible if required by mortgagee. Documentation required unless mortgagee is the MT Board of Housing.

**Other deductible options (must be comparable to the minimum requirements):**

**Windstorm or Hail Co-pay Deductible (FO-20.159):** please refer to available homeowner’s deductibles

**All Peril Percentage Deductible (FO-20.165):** for all policy types and elements

Options: .25%, .5%, 1%, 1.5%, 2%, 3%, 5% and 10%

* If all peril percentage deductible selected, all deductibles on the policy must be consistent.

**Flat* (Zones 3, 4 & 5 ONLY)**

Flat deductibles are available for clients that have not had any wind/hail losses over $1200 in the last 36 months. The minimum flat deductibles are based on the amount of insurance (AOI) of the dwelling.

<table>
<thead>
<tr>
<th>Amount of Insurance (AOI)</th>
<th>Minimum Required Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $100,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>$100,001 - $300,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>$300,001 - $400,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>$400,001 - $750,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>$750,001 +</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

For a loss to be counted:

- It must result in total payments of $1,200 or greater
- Flat deductibles of $10,000 or higher are acceptable as a substitute for any of the above requirements.
- Flat deductibles are available for clients that have not had any wind/hail losses over $1200 in the last 36 months.
Section I Property Endorsements

The Country Squire policy offers optional coverages (endorsements) for the Coverage A and E dwellings. These endorsements modify the insurance contract, generally expanding the coverages for which we insure against loss. The endorsements for Coverages A and E dwellings are similar to those offered under our homeowner policy.

<table>
<thead>
<tr>
<th>Endorsements</th>
<th>Coverage A</th>
<th>Coverage E</th>
<th>Outbuildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>FO-20.101 Additional Interest Property</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.103 Residence Glass</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.105 Earthquake Damage Assumption</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.108 Increased Limits Other Structures</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.109 Increased Special Limits – Jewelry</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.110 Increased Special Limits – Firearms</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.112 Vendors Single Interest Mobile Homeowners</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.113 Replacement Cost – Personal Property</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.114 Townhouse &amp; Condominium</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.115 Townhouse &amp; Condominium – Special Coverage</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.116 Loss Assessment – Condominium Owners</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.117 Identity Theft Expense Coverage</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.120 Mobile Home Flood Coverage Extension</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.122 Course of Construction</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.123 Contract of Sale</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.129 Rental Value Endorsement</td>
<td>No</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.133 Merchandise Held for Sample or Sale</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.134 Building Ordinance or Law</td>
<td>X</td>
<td>X</td>
<td>X (only with FO-20.140)</td>
</tr>
<tr>
<td>FO-20.135 Modified Replacement Cost</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.136 Dwellings Under Construction</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.137 Backup of Sewers or Drains</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
### Endorsements

<table>
<thead>
<tr>
<th>Endorsement</th>
<th>Coverage A</th>
<th>Coverage E</th>
<th>Outbuildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>FO-20.140 Replacement Cost – Coverage E Buildings</td>
<td>No</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.150 Hay, Straw and Fodder Increased Stack Limit Endorsement</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>FO-20.153 Agri-Choice Enhancement</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>FO-20.154 Temporary Manufactured Home Coverage on Insured Location</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.156 Seasonal Occupancy</td>
<td>No</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-20.158 ACV Siding loss settlement</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-20.159 Windstorm or Hail Copay Deductible</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO20.160 Windstorm or Hail Percentage Deductible</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

### Additional Interests – Property (FO-20.101)

When the named insured *is not* the only one listed on the deed to the property being insured, we need to add the other parties having a financial interest in the property for Additional Interests.

Include the name and address of the other parties who have an insurable interest since this endorsement treats them like an insured under Section I – Property.

No additional premium is charged for this endorsement.

### Residential Glass Endorsement (FO-20.103)

This endorsement allows the deductible to be waived for a loss to residential glass.

Condo Unit Owner’s Building Property policies qualify.

Not available on Tenants or Coverage E contents policy types.
Earthquake Damage Assumption (FO-20.105)

The Peril of earth movement is excluded by policy language. This endorsement is designed to provide limited coverage for direct loss caused by earthquake to property described in Section I – Property. This endorsement will only pay for damages that exceed the deductible percentage selected.

One or more earthquake shocks that occur within a seventy-two (72) hour period shall constitute a single earthquake.

A 30-day moratorium is immediately put into effect in the area located within 50 miles of the epicenter of an earthquake measuring greater than 4.0 on the Richter scale.

Premium is based on age and construction of dwelling and the deductible selected.

This coverage can be added to Coverage A, Coverage C or Coverage E, including a tenant’s policy.

Deductible options include:
- 5%
- 10%
- 15%
- 20%
- 25%

This coverage cannot be tied to the Townhouse & Condominium Unit Owners endorsements FO-20.114 or FO-20.115.

Other Structures – Increased Limits (FO-20.108)

Section I – Coverage A and Coverage E provide an automatic limit for other structures equal to 10% of the Coverage A or Coverage E dwelling. This endorsement is added when the replacement cost for all other structures is more than the 10% given.

The 10% limit applies regardless of the number of other structures on the premises. This includes Farm Structures on a Country Home policy.

Photographs are required of all other structures/ farm structures.
**Increased Special Limit – Jewelry, Watches, Furs, and Precious and Semi-Precious Stones (FO-20.109)**

The policy limits coverage for loss by theft to jewelry, watches, furs, and precious and semi-precious stones to $3,000. This endorsement increases that limit to $5,000, subject to a limit of $1,000 per item.

*This endorsement does not increase the limit of liability for Personal Property – Coverage C.*

Premium Applies

**Increased Special Limit – Firearms (FO-20.110)**

The policy limits coverage for loss by theft to firearms and related equipment to $2,500. This endorsement increases that limit to $5,000, subject to a limit of $2,500 per item.

*This endorsement does not increase the limit of liability for Personal Property – Coverage C.*

Premium Applies

**Mobile Home Lienholder’s Single Interest (FO-20.112)**

This endorsement will provide limited coverage for a lienholder’s single interest, which protects their interest or the interest of the assignee in the mobile home that is listed on our policy Declarations.

Premium Applies

**Replacement Cost Coverage C/ Personal Property (FO-20.113)**

This endorsement is designed to change the coverage for Personal Property – Coverage C to replacement cost rather than actual cash value (ACV).

This endorsement is automatic (at no charge) on Special Form.

Can be added to contents in qualifying Coverage A and Coverage E dwellings.

Requires $20,000 minimum contents.
Townhouse and Condominium Unit Owners Building Property (FO-20.114) and Townhouse and Condominium Unit Owners Building Property – Special Coverage (FO-20.115)

Townhouses and condominiums are unique in that an association is normally responsible for insuring the structure while each unit owner insures only that portion of the structure that is inclusive to their particular unit. This includes items that are part of the structure and considered real property such as cabinets, sheetrock, lighting fixtures, etc.

A tenants policy is written to cover the insured’s Personal Property – Coverage C and add either FO-20.114 or FO-20.115 to cover that portion of the structure that is inclusive to their unit. Keep in mind property such as furniture and most appliances should be insured as Personal Property – Coverage C.

Both endorsements provide coverage limited to $5,000. No additional premium is charged for Peril X; $5.00 per year is charged for Peril Z.

The limit may be increased by $1,000 increments for an additional charge.

<table>
<thead>
<tr>
<th>Perils on Insured’s portion of the structure</th>
<th>Peril X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Townhouse and Condominium Unit Owners Building Property (FO-20.114)</td>
<td>Peril X</td>
</tr>
<tr>
<td>Townhouse and Condominium Unit Owners Building Property – Special Coverage (FO-20.115)</td>
<td>Peril Z</td>
</tr>
</tbody>
</table>

*Please note: When adding either of the above endorsements, a copy of the Condo Association by-laws will be required.*
Loss Assessment – Condo Unit Owner Coverage (FO-20.116)

When the insured is a member of a condominium or a homeowners association, they have a potential risk exposure for property and liability losses that occur on the common grounds of the premises owned by the association. Because of this, they may be assessed a portion of a loss that occurs on this common property. Coverage may be purchased for the insured’s portion of an assessment against all of the members of the association.

Can only be added to policies that provide personal liability.

Premium Applies

Identity Theft Expense Coverage (FO-20.117)

This endorsement provides a limit of $15,000 for losses or expenses arising out of Identity Theft to any one insured including:

- Notarizing affidavits or similar documents.
- Certified mail to law enforcement, credit agencies, and financial institutions.
- Lost income.
  - Maximum of $200 per day, not to exceed $5,000 in total.
- Loan re-application fees.
- Reasonable attorney fees.
- Long distance telephone calls to merchants, law enforcement agencies, or credit grantors.

This coverage is added at policy level and applies to all insureds. (It should only be added once per policy.)

No deductible applies to this coverage.

Premium Applies

This endorsement can be added to any policy with an owner-occupied home.

Reporting Claims for Identity Theft Expense Coverage

To report claims, the insured needs to call 877-742-9991. The representative will gather necessary information and put the insured in touch with the appropriate parties. This number is to be used only for Identity Theft claims.

Do not submit the claim through claim submissions as these claims are handled through a different process than our standard claims.
Mobile Home Flood Coverage Extension (FO-20.120)

The Peril of “Flood and other water rising from outside the mobile home” is added to the language for Peril 3 “Windstorm and Hail.”

This endorsement is automatic when the construction code is Mobile (“M”).

No additional premium is charged for this endorsement.

Course of Construction (FO-20.122)

This endorsement provides a deviation in premium at the time your client begins building a new home. *This coverage cannot be added to modular or mobile homes.*

Coverage must be added to the policy prior to construction progressing beyond the foundation. When construction has progressed beyond the foundation, we may only write the dwelling as coverage E on a package policy or a qualifying 4H or 4T with supporting Automobile coverage, without this endorsement.

Photos are required when home is being built in Protection class 9 or 10 to verify defensible zone.

The amount of insurance on the dwelling must be 100% of the completed value of the new home.

- If the construction costs exceed the amount of insurance during the course of construction, please increase the amount of insurance as soon as possible so the client is not left underinsured in the event of a total loss.
- 20% premium deviation when added to a Homeowner policy.
- 45% premium deviation when added as Coverage E to a Dwelling Property policy.

Earthquake Damage Assumption Endorsement FO-20.105 may be added to homes under construction.

No other discounts apply when this endorsement is added to the dwelling (new home credit, home alert, hail resistive roofing discount, etc.).

Endorsement must be removed when the home is occupied or within one year, whichever is sooner.

- Upon completion:
  - Photos of the finished home are required.
  - A Replacement Cost Estimator is required for Special Form homes.
  - If the home has a woodstove, the surcharge needs to be added to the policy.
**Contract of Sale Clause (FO-20.123)**

When property is being sold or purchased under a Contract of Sale, the insurance coverage must be written in the name of the buyer, who is also the owner-occupant of the dwelling.

Designate the seller by name and mailing address on the Supplemental Endorsement Application under endorsement FO-20.123. This will add the Contract for Sale clause to the policy protecting the interest of the seller.

_This endorsement does not provide liability for the seller._ The seller will need to extend liability from their own policy.

In order to add this endorsement, there must be a signed, legal Contract for Sale between the seller and buyer. _Rent-to-own situations do not qualify._

No additional premium is charged for this endorsement.

**Coverage Restriction Endorsement (FO-20.128)**

This endorsement removes the company’s liability for loss or damage to the specified items or structures listed on the endorsement.

Typically used when the dwelling has deteriorated. This could include an old roof and/or chipped siding, paint, or trim (See FAQ Section).

**Rental Value Endorsement (FO-20.129)**

This endorsement will provide coverage for the fair rental value of the described dwelling subject to a limit shown in the Declarations.

Options are for three, four, or six months of coverage.

This endorsement is rated according to the monthly amount charged for rent.

- _Example: Three months at $750 per month may be a total of $2,250 in coverage._
**Merchandise Held as Sample or For Sale (FO-20.133)**

This endorsement extends Coverage C – Personal Property to include coverage for merchandise held as sample or for sale in the described dwelling or other structures located on the residence premises.

Examples of use include:
- Avon representatives
- Mary Kay distributors

Available Coverage limits include:
- $2,500
- $5,000

Annual premium based on deductibles and coverage limits.

**Building Ordinance or Law (FO-20.134/ FO-20.134E)**

The Homeowner policy excludes losses that arise from Ordinance or Law. This endorsement is intended to provide a limited amount of coverage for this exposure. The amount of coverage provided is a percentage of the Coverage A or Coverage E dwelling amount shown on the Declarations.

Special Form policies automatically include 10% coverage.

This endorsement is available for Coverage A or Coverage E dwellings.

Limits Available:
- 10%
- 25%
- 50%

The deductible always applies to covered losses under this endorsement.
Modified Replacement Cost Endorsement (FO-20.135)

This endorsement changes the language under the loss settlement portion of the policy. It allows the loss adjustment to include commonly used materials that are readily available.

The use of this endorsement is encouraged on homes built prior to 1955, where custom-designed interior trim work, lathe and plaster walls, and leaded glass were commonly used.

This endorsement is used on Standard and Deluxe policies only.

No additional premium for this endorsement.

Dwelling Under Construction (FO-20.136)

This endorsement provides Coverage C - Personal Property and Section II – Personal/Premises Liability to an insured’s temporary residence while waiting for their dwelling under construction to be completed.

*Can only be used in conjunction with Course of Construction Endorsement FO-20.122.*

Requires insured’s temporary address.

Coverage ceases when the home is occupied or within one year, whichever is sooner.

No additional premium is charged for this endorsement.

Backup of Sewer or Drain (FO-20.137)

The Homeowner policy excludes losses that arise from backup of sewer or drains. This endorsement is intended to provide a limited amount of coverage for this exposure, either $5,000 or $10,000.

Special Form policies automatically include $5,000 coverage for no additional premium.

Coverage Amounts Available:
- $5,000
- $10,000

Coverage A or Coverage C deductible always applies to covered losses under this endorsement.
Replacement Cost – Coverage E Buildings (FO-20.140)

Coverage E buildings are written on an actual cash value (ACV) basis. The Replacement Cost – Coverage E endorsement alters the policy language from ACV to replacement cost. Prior Home Office approval is required.

Requirements:

- The structure must be constructed with techniques commonly used today including materials currently available.
- The building must be well maintained and in good condition including the roof, siding, and foundation. Updates are required.
- The building must be insured to 100% replacement cost.

Premium Applies

Extended Replacement Cost (FO-20.142)
Special Form Only

This is an automatic endorsement for Special Form policies. This endorsement is designed to help the amount of coverage keep up with inflation.

The dwelling must be insured to 100% of the replacement cost at the time the home is added to a policy.

The extended limit of an additional 25% is designed to give the client an extended limit of coverage in case the replacement cost of a dwelling has changed during the policy period and now exceeds the limit shown in the Declarations.

Do not include the additional 25% on a binder.
**Actual Cash Value Roofing Loss Settlement Endorsement (FO-20.144R)**

This endorsement amends the loss settlement condition so that all provisions relating to replacement cost are waived regarding any loss that may arise to the roofing of any property shown on the endorsement. The losses that arise to the roofing of any property listed on the endorsement are adjusted on an actual cash value (ACV) basis. This includes other structures and farm structures covered under your dwelling coverage.

An annual premium discount is applied when this endorsement is added.

This endorsement cannot be added to:
- Dwelling Property policy, unless the policy also has the Replacement Cost Coverage E Building Endorsement FO-20.140.
- Mobile Homeowner policy.

**Other Structures Restrictive Endorsement (FO-20.148)**

This endorsement removes the company’s liability for loss or damage to the specified other structures or farm structures listed on the endorsement.

This endorsement may be added when there are other structures that do not qualify for the coverages automatically extended from the Coverage A or Coverage E dwelling.

This endorsement can also be used to reduce covered perils on other structures.

Typically used when the other structure has deteriorated. This could include an old roof and/or chipped siding, paint, or trim.

Please contact your underwriter to add this endorsement.
Hay, Straw and Fodder Increased Stack Limit Endorsement (FO-20.150)

This endorsement is available for Country Squire Policies only.

This optional coverage increases the minimum stack limits for hay, straw, and fodder by increments of $10,000. You should use the highest applicable limit.

- Example: If a client needs $42,000 per stack of hay use, use the $50,000 coverage increment.

Available increased stack limits:

- $40,000
- $50,000
- $60,000
- $70,000
- $80,000

Agri-Choice Enhancement (FO-20.153)

This endorsement provides additional coverage under the Coverage D – Farm Personal Property in Country Home or Country Squire Policies. Coverage D – Farm Personal Property blanket coverage is required to add this endorsement.

Additional Coverages:

- Rental expense for mobile ag machinery and equipment, up to $5,000 per occurrence.
- Ingestion for mobile ag machinery and equipment that is owned, leased, rented, or borrowed, up to $5,000 per occurrence.

Increased Limits:

- $50,000 or 20%, whichever is greater, of the blanket limit for borrowed mobile ag machinery and equipment.
- $50,000 for rented or leased mobile ag machinery and equipment.
  - May not be leased or rented for more than 90 days.
  - Additional limits may be added using the leased mobile ag machinery endorsement in Section IV – Inland Marine.
- $40,000 Stack Limit for hay, straw, and fodder.
  - No need for Hay, Grain, and Fodder Increased Stack Limit Endorsement (FO-20.150).

This endorsement also includes limited Custom Farming Coverage

- Annual receipts cannot exceed $10,000. If receipts exceed this amount, you can offer Coverage L, Custom Farming.
- Operations must be performed in Montana, Wyoming, or Colorado.

Premium is 10% of the Peril Y items on the Coverage D Unscheduled Farm Personal Property premium.
Temporary Manufactured Home Coverage on Insured Location (FO-20.154)

This endorsement removes the coverage exclusion for mobile or modular homes while utilities are not connected during the construction of the foundation up to 90 days after delivery.

No coverage exists while home is being transported or moved onto the foundation.

The home must be insured for full replacement cost, including the foundation, when adding endorsement.

Photos are required once home is placed on the foundation.

There is no need to delete coverage. The endorsement is only valid for 90 days and will automatically drop off at renewal.

May be added to Coverage A or Coverage E dwellings.

Flat premium = $20
Seasonal Occupancy (FO-20.156)

This endorsement is only available on coverage E dwellings. *Zone guidelines will still apply.*

This endorsement is intended for the following situations:

- The insured’s primary dwelling that is not lived in 75% of the time
  - **✓ Snowbirds**
    - Refer to Seasonal Dwelling Questionnaire (required) on the Portal.
  - **✓ Vacation rentals**
    - See guidelines below
    - Refer to the Vacation Rental Questionnaire (required) on the Portal.

- Seasonal dwellings when we do not insure the primary residence
  - See guidelines below
  - Refer to Seasonal dwelling questionnaire (required) on the Portal

- Alarm discount does not apply.
- Must meet defensible zone requirements

Class A: Class A rating factors are for dwellings with alarms that have a central reporting system with:
  - Burglar,
  - Fire, and
  - Environmental

Class B: Class B rating factors are for dwellings with alarms that have a central reporting system with:
  - Burglar and
  - Fire

Class C: Class C rating factors are for dwellings with local alarms only.
  - Home office approval required

### Seasonal Occupancy Rating Factors

<table>
<thead>
<tr>
<th>Number of Months</th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-12</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>7-8</td>
<td>1.15</td>
<td>1.20</td>
<td>1.25</td>
</tr>
<tr>
<td>5-6</td>
<td>1.50</td>
<td>1.55</td>
<td>1.60</td>
</tr>
</tbody>
</table>
Vacation Rental Guidelines:

**Personal Lines Cov. A**
- Owner Occupied 75-100%
- Documentation of Host Liability*
- Vacation Rental Questionnaire required

**Coverage E (Blue/Green Zone only for 5F)**
- Owner Occupied 51-74%
- Documentation of Host Liability*
- Personal Liability may be added
- Include Seasonal Occupancy Endorsement FO-20.156
- Vacation Rental Questionnaire required

**Farm/Ranch- Full Country Squire**
- If dwelling/cabin located on the ranch: add the Guest Ranch Liability endorsement (no host liability documentation required)
- If dwelling/cabin located off the ranch: proceed with guidelines from Coverage E

Note: if location is 50% or more tenant occupied, Commercial Coverage is needed

* Documentation of the host liability coverage required at new business and each renewal.

**Ineligible risks:**

✓ Any water loss in the last 3 years
✓ Properties that are not accessible year round
✓ Automobile, Watercraft or Recreational Vehicles available for use by tenant
✓ Risks that do not meet our defensible zone requirements

Seasonal Dwelling Guidelines:

**Trial application required**
- Coverage E only
- Liability must be extended from their primary residence
- 30 years or newer
  - Will allow updates
- Blue and Green Zones only
- Owner occupied
- Maximum property AOI $2.5 million
- Minimum deductible
  - Protection class 1-9 $2500
  - Protection class 10 $5000
- Seasonal occupancy endorsement required

**Ineligible risks:**

✓ Any water loss in the last 3 years
✓ Properties that are not accessible year round
**Seasonal Occupancy Rating Factor Examples**

**Example 1:** Mike and Terry have a home in Kalispell and a summer home in Maine. They live in Kalispell from October through March and consider Montana their primary residence. They have a central alarm system that reports for burglary and fire only. *They could have a 5F policy written on their dwelling in Kalispell using the seasonal occupancy endorsement for 5-6 months, Class B.*

**Example 2:** Tamey and Harold live in Jackson from March through September. They spend the winters in Hawaii and consider Jackson as their primary residence. They have a central alarm system that reports burglar, fire, and environmental concerns. *We could cover the Jackson property using the seasonal occupancy endorsement for 7-8 months, Class A.*

**Example 3:** John and Kalie have a home in Colorado Springs where they spend most of the year. They have a second home in Billings which they occupy three months out of the year. *We are unable to write this dwelling at Mountain West.*

**Windstorm or Hail Co-Pay Deductible (FO-20.159)**
This endorsement modifies coverage under Section I – Property. There is a reduction in premium.

We agree that there is a separate deductible for damages caused directly or indirectly by windstorm or hail, subject to the exclusions of Windstorm or Hail (Peril 3) or Special Coverage (Peril 25). The co-pay deductible applies to all Section I- Property losses caused by windstorm or hail.

This co-pay applies per occurrence and will be subtracted from the total adjusted loss. The amount subtracted will be 20% of the adjusted loss. This co-pay will be applied to all loss payments until the maximum amount has been reached.

The maximum amount of the co-pay will be equal to the percentage shown in the Declarations of the highest limit of insurance applicable to the property that has sustained loss or damage.

The minimum amount of the co-pay will be the dollar amount shown in the Declarations.

Co-pay means the portion of the loss that is the responsibility of the insured. The dollar deductible amount shown in the Declarations applies to all other covered losses. All other provisions of the policy apply.

**Windstorm or Hail Percentage Deductible (FO-20.160)**
This endorsement modifies coverage under Section I – Property. There is a reduction in premium.

We agree that there is a separate deductible for damages caused directly or indirectly by windstorm or hail. All exclusions applicable to Windstorm (Peril 3) or Special coverage (Peril 25) apply. This percentage deductible applies to all Section I Property losses caused by Windstorm or hail.

This deductible applies per occurrence and will be subtracted from the total adjusted loss. The amount subtracted will be equal to the percentage shown in the Declarations of the highest limit of insurance applicable to the property that has sustained loss or damage. We will not pay for loss or damage until the loss or damage exceeds the deductible.
Section II Coverage – Personal and Farm Liability

Individuals involved in agri-business have different liability exposures than the person living in town. Our Country Squire (CQ/CQM) package policy provides farm liability coverage for the insured’s farming and ranching activities. This farm liability coverage is not all inclusive, and you will need to be familiar with the policy language as well as the optional coverages and available endorsements.

The most important thing to keep in mind about the Country Squire policy is that it provides farm liability, unlike our homeowner or City Squire policy, which specifically excludes farm liability coverage.

There are additional coverages and endorsements offered under the Country Squire policy which are not available on the homeowner, dwelling property, mobile homeowners or City Squire policies.

Please refer to the Section I and II – Property/Liability tab.
Country Squire Liability Coverages

Please refer to policy for actual language.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Liability Coverages</th>
<th>Minimum or Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage F Personal Liability and Farm Liability</td>
<td>Covers damages resulting from bodily injury or property damage caused by an occurrence if the insured is legally obligated for such damages.</td>
<td>$100,000 minimum Increased limits available</td>
</tr>
<tr>
<td>Coverage G Premises Medical</td>
<td>Payments for necessary medical expenses incurred within three years after loss causing bodily injury arising from a condition on the insured location or from an insured’s activities off the insured location.</td>
<td>$1,000 minimum Increased limits available</td>
</tr>
<tr>
<td>Coverage H Employers Liability</td>
<td>Covers damages resulting from bodily injury if a claim is made or suit is brought against the insured because of an occurrence sustained by any farm employee to which Coverage F applies (Wyoming only).</td>
<td>Optional</td>
</tr>
<tr>
<td>Coverage I Medical Payments for Farm Employees</td>
<td>Payments for necessary medical and funeral expenses incurred to farm employees within three years from the date of occurrence or to each farm employee who sustains bodily injury caused by an occurrence arising out of and in the course of employment of the insured.</td>
<td>Optional</td>
</tr>
<tr>
<td>Coverage J Named Persons Medical</td>
<td>Payments for necessary medical expenses incurred within three years after a loss causing bodily injury to persons named in Coverage J of the Declarations arising out of farm operations.</td>
<td>Optional</td>
</tr>
<tr>
<td>Coverage L Custom Farming</td>
<td>Extends Coverage F to in-state farming operations done by the insured for others for hire.</td>
<td>Optional</td>
</tr>
<tr>
<td>Coverage M Damage to Property of Others</td>
<td>Pays for damage to property of others if caused by an insured.</td>
<td>Limited to $500</td>
</tr>
</tbody>
</table>

Revised 4/2020
Coverage F - Personal & Farm Liability (FO-10.106/FO-10.107)

**Personal Liability – Coverage F**
Can be provided to those insureds who have ownership in the farm or ranch and reside in a Coverage A or Coverage E dwelling. Personal liability is provided for the insured as defined by the policy.
- Coverage A = no charge.
- Coverage E = premium charge.

**Farm Liability - Coverage F**
Provides coverage for farming and ranching operations.
- Rates for this coverage are based on the acreage exposure.
- Clients who only own acres and have no structures to be insured are ineligible for the CQ policy.

**AUM’s (Animal Unit Months)**
The insured is presented with a unique exposure when they lease rangeland from the Bureau of Land Management (BLM) or the Forest Service. Coverage for AUMs is available only on a Country Squire policy.
The BLM or Forest Service will require to be listed as their interests appear. You can add the Additional Interest Farm Liability FO-30.101 endorsement to fulfill these requirements.

It takes an average of 25 acres to sustain one animal unit *(see definition below)* per year. Since the fundamentals of rangeland must also account for water, the quality of water, nutrients, well-cycled energy, and protection, **we allow for ten acres per animal unit.**

The formula to add coverage is: **10 X the number of AUMs the insured has**

Example: If an insured wants to add 200 AUMs, the formula would be:

\[ 200 \text{ (AUMs)} \times 10 \text{ (acres)} = \text{liability charge for 2,000 acres} \]

The total liability charge would then depend on the liability and premises medical limits chosen.

AUMs can be added and deleted in one change form to make it more convenient for the agent and the insured since the insured will usually lease for a specific amount of time, such as the summer months.

*One animal unit is defined as:*
- One cow and her calf,
- One horse, or
- Five sheep or goats.
Coverage G – Premises Medical

Premises Medical is the coverage for reasonable and necessary medical expenses and funeral expenses due to bodily injury.

**On the Insured Location:**

A person or residence employee on the insured location with the permission of the insured.

**Away from the Insured Location**

Bodily injury arising from:
- A condition on the insured location, including access ways immediately adjoining (sidewalks, etc.)
- Activities of the insured
- Activities of a residence employee in the course of their employment
- An animal owned by or in the care of the insured

This coverage does not apply to:
- Any person residing on the insured location except a residence employee
- Any person conducting their business on the insured location, including the employees of that person

Coverage H – Employers Liability

--- Wyoming Only ---

This optional coverage in Wyoming provides protection for your client for work-related injuries, sickness, or death by employees or interested third parties.

Automatically includes $1,000 for medical payments coverage for farm employees. This coverage will consider payment for medical and/or funeral expenses for work-related incidents. Farm employees do not include the named insured, the insured’s spouse, their minor child, or exchange labor.

- Increased medical payments limits up to $25,000 may be purchased.
- See the Named Persons Medical Payments in this manual on options for the named insured and family members.
  - Rates are calculated *per man month*.
  - Man months = # of employees X # of months each of these employees work.
- Farm employees cannot be listed for Named Persons Medical and Employers Liability – only one or the other.
- If insured carries Workers Comp coverage, **Coverage H cannot be added.**
Coverage I – Medical Payments for Farm Employees
-- Wyoming Only --

Pays medical and funeral expenses for farm employees for bodily injury caused by an occurrence arising out of farming operations and in the course of employment.

Coverage J - Named Persons Medical Payments

Medical payments may be extended to cover the named insured and family members if they are injured by an occurrence arising out of farming operations. The individual must be listed in the Declarations to be insured.

This coverage cannot be added to a Country Home policy.

Persons 6 years old or younger or 70 years old or older are not eligible for this coverage when writing new business or adding this coverage to an existing policy.

Those persons added prior to the age of 70 will be allowed to remain on our contract once they pass the age of 70.

Deductible Options

Available Deductible Options include:

- $100
- $250
- $500
- $1,000
**Coverage L - Custom Farming**

The optional coverage for custom farming is needed if the insured uses any draft animal, farm tractor, farm implement or other farm machinery in connection with farm operations for others for a charge.

Custom farming cannot be the primary source of farm or ranch income for your client.

Custom Farming must be performed in the states of Wyoming, Montana; or Colorado.

Gross receipts are required upon submission of business. If the gross receipts are over $100,000 or 50%, a commercial Umbrella is required.

**Coverage M – Damage to Property of Others**

Refer to the Section I and II – Property and Liability tab for details.
### Additional Coverages

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Liability Coverage</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Legal Liability</td>
<td>Payment for property damage to a lodging place and its furnishings rented to an insured if the property damage arises out of fire, smoke, or explosion.</td>
<td>Included in Coverage F limits.</td>
</tr>
<tr>
<td>Newly Acquired Locations</td>
<td>Section II is extended to cover locations acquired by the insured if the company is notified by next renewal date.</td>
<td>Included in Coverage F limits.</td>
</tr>
</tbody>
</table>

### Additional Payments

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Liability Coverage</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Aid Expenses</td>
<td>Pays expenses for first aid to others incurred by an insured for bodily injury covered under this policy. Does not pay for first aid to any insured.</td>
<td>In addition to liability limits.</td>
</tr>
<tr>
<td>Claim Expense</td>
<td>Pays reasonable expenses incurred by an insured at our request.</td>
<td>In addition to liability limits.</td>
</tr>
</tbody>
</table>
Section II Liability Endorsements

This section addresses Section II liability coverages and endorsements that are available only on the Country Squire policy. Additional liability endorsements that are available to other lines of business can be found behind the Section I and II – Property and Liability tab.

<table>
<thead>
<tr>
<th>Endorsements, Continued</th>
<th>Coverage A</th>
<th>Coverage E</th>
<th>Outbuildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>FO-30.101 Additional Interest Farm Liability</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-30.102 Office, Private School, or Studio Occupancy</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FO-30.103 Watercraft Liability</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.104 Incidental Business</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.105 Business Pursuits</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30-106 Personal and Advertising Injury</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.109 Death of Livestock by Collision</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.111 Recreational Vehicle Liability</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.115 Boarding and Training of Horses</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.117 Additional Interests “Guest Ranch”, “Outfitter” or “Guide”</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.118 Additional Residence Premises Liability</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.124 Bed and Breakfast</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.130 Home Child Care</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>FO-30.132 Dog Restrictive Endorsement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FO-30.133 Guest Ranch, Outfitter, or Guide Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Additional Interest Farm Liability (FO-30.101)

It is sometimes necessary for farm liability protection to be extended to persons and/or organizations other than the named insured. This is normally for specific activities held on the insured’s premises.

Commonly used for co-owners, partners, equipment leasing companies, or owners of livestock being run on the insured’s premises.

Coverage is restricted to “as their interest may appear.”

It is only necessary to name the persons and/or organization and to state their interest in the operations or premises.

Required information includes:
- Name and address
- Description of interest

Examples:

Owner of the land leased by or rented to your client.

An implement company that leases equipment to your client and requires to be listed on the policy. This does not pertain to the Leased Mobile Agricultural Machinery Coverage in Inland Marine.

The owner of livestock being run on the insured premises if the owner is not the named insured.

Office, Private School, or Studio Occupancy (FO-30.102)

This endorsement extends property and liability coverages if the insured maintains an incidental office, private school, or studio in part of the residence premises or other structure.

Coverage includes:
- $5,000 for business personal property located at the insured location
  - Does not apply to merchandise held for sample or for sale.
  - Coverage extends to leased business property and signs
- $1,000 for business personal property located away from insured location
  - Coverage extends to leased business property and signs
- Liability is extended to include business activities on insured location
  - Coverage does not apply to bodily injury or property damage that arises out of professional services an insured performs or fails to perform.
Watercraft Liability (FO-30.103)

This endorsement provides Coverage F (Liability) and Coverage G (Premises Medical) for loss arising out of the ownership, maintenance, use, loading, or unloading of the watercraft described in the Declarations. Ineligible if used in connection with racing/competition.

An insured includes any person legally responsible for a watercraft owned by an insured. This does not include a person using or having custody or control of the watercraft without the consent of the owner.

Jet skis - Coverage may be written for personal watercraft only if we insure the client’s home and liability.

Boats over 29 feet or a speed of 50 mph - refer to Brokerage

MVRs are required for all operators. Provide names and driving information, including driver’s license number and date of birth, on all household watercraft operators.

*Do not bind if the operator’s driving record does not meet requirements for Mountain West Auto Coverage.*
Incidental Business (FO-30.104)

For additional premium, this optional coverage provides an extension of the liability and premises medical coverage for a limited number of exposures that we have classified as Incidental Business Activity. Please refer to policy for actual language. Here is an overview of coverages provided:

- $5,000 Business Personal Property at the insured location
- $1,000 Business Personal Property away from the insured location
- An inclusion of the following as Business Personal Property to which these coverages apply:
  - Business Personal Property owned by an insured and used in their business
  - Business Personal Property that is leased to an insured, only if used by their business
  - And Signs used to identify an insured’s business
- An extension of Coverage F and Coverage G to apply to an occurrence arising out of the activities of the business owned and operated by the insured
- Modification to the Section III – Auto Exclusion, removing the exclusion for business activities
- An added exclusion for clarification – that we do not insure work performed, or services or products supplied or provided by others on behalf of any insured

This optional coverage is offered to fill a gap created by the policy language with excluded coverage for liability loss arising out of business activities.
Farming is not a business activity.

Incidental liability exposure means that total receipts from all operations other than farming must be less than 50% of the insured’s gross income.
How to Classify Incidental Business Activities

<table>
<thead>
<tr>
<th>Class</th>
<th>Premium Group</th>
<th>Incidental Business Activity</th>
<th>Additional Information</th>
</tr>
</thead>
</table>
| 11    | 3              | Bait shop                     | No coverage if recreational or trip bookings available.  
|       |                |                               | No coverage for boat rentals. |
| 13    | 3              | Beauty shop                   | No coverage if employees are involved.  
|       |                |                               | No coverage if tanning beds present. |
| 15    | 4              | Ceramic shop                  | Is UL listed kiln present? Yes/No  
| 16    | 5              | Ceramic shop (with instructions-classes) | All children MUST have parental supervision.  
| 24    | 4              | Fishing lakes or recreational grounds on premises | Rate does not include swimming facilities.  
|       |                |                               | If swimming is allowed or boats are available for rental, must submit for home office approval. |
| 25    | 3              | Flower shop                   |  
| 28    | 2              | Gravel pit                    | Is this utilized commercially?  
|       |                |                               | Ownership only, not operated by insured.  
|       |                |                               | No coverage if delivery exists. |
| 29    | 4              | Hunting/Fishing on insured premises | Prior private party agreements only.  
|       |                |                               | Does insured enforce waiver? Yes/No |
| 31    | 6              | Mowing along public/private highways | No coverage if employees exist.  
|       |                |                               | No coverage for landscaping.  
|       |                |                               | No coverage for spraying. |
| 35    | 4              | Pushing/Plowing snow or gardens | Can exist for town or rural areas.  
|       |                |                               | No coverage if employees exist.  
<p>|       |                |                               | No coverage for public highway snow removal. |</p>
<table>
<thead>
<tr>
<th>Class</th>
<th>Premium Group</th>
<th>Incidental Business Activity</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>3</td>
<td>Retail store on premises</td>
<td>Coverage only for products sold and manufactured by insured including fruit stands.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage if employees exist.</td>
</tr>
<tr>
<td>37</td>
<td>3</td>
<td>Sales of farm tools and supplies</td>
<td>No coverage for farm implement dealers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage if employees exist.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage if manufacturing exists.</td>
</tr>
<tr>
<td>38</td>
<td>2</td>
<td>Sales person of product</td>
<td>No coverage for jewelry, kitchenware, cosmetics including “away from home” products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage for dealers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage if employees exist.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage if manufacturing exists.</td>
</tr>
<tr>
<td>39</td>
<td>2</td>
<td>Sales person of feed, fertilizer, seed</td>
<td>No coverage for inventory.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No coverage for delivery of products.</td>
</tr>
<tr>
<td>41</td>
<td>4</td>
<td>Shearing of sheep off premises</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>5</td>
<td>Trailer space rented to others</td>
<td><em>No longer available.</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Are there water facilities available?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>If yes, is the well tested?</td>
</tr>
<tr>
<td>46</td>
<td>3</td>
<td>U-pick product sales</td>
<td>Describe operation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Are there any recreational offerings?</td>
</tr>
<tr>
<td>47</td>
<td>4</td>
<td>Veterinarians office in separate building</td>
<td>No coverage for professional services.</td>
</tr>
<tr>
<td>Class</td>
<td>Premium Group</td>
<td>Incidental Business Activity</td>
<td>Additional Information</td>
</tr>
<tr>
<td>-------</td>
<td>---------------</td>
<td>-------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>48</td>
<td>4</td>
<td>Welding and farm machinery repair shop</td>
<td>No longer available. No coverage for property in care/custody/control. No coverage for farm implement dealers. No coverage if employees exist. No coverage for product and completed operations. No coverage if fabrication exists.</td>
</tr>
</tbody>
</table>

| 50    | Prior approval required | Miscellaneous | Please describe details of business activity. Contact your underwriter for approval. |

**Notes**

Class 50 is a miscellaneous category that requires discussion and approval through underwriting. A premium group will be determined based upon the review prior to binding coverage.

- Products and completed operations coverage is excluded.
- Clients who charge a trespass fee or per-gun fee for hunting and fishing on their premises will need to purchase this endorsement.

**Examples**

Hunters/Fishermen

- Insured charges hunters or fishermen a fee to access their land:
  - Class 50 - Group 3
  - This endorsement is NOT used when services are provided to others such as overnight guests, food preparation for guest, etc. The Guest Ranch endorsement FO-30.133 would be necessary when services are provided to guests.
- Insured has a guide who leases the rights from the insured to hunt or fish and bring his clients hunting or fishing on the insured’s land
  - Class 29 – Group 4 for prior private party agreements.
- There is no charge when an insured collects coupons or participates in block management from a hunter or fisherman who uses his land. The insured turns the coupons in to the state for a nominal refund. No need to add this exposure to the policy.
Farmer’s Market & Community Supported Agriculture Coverage:

Farmer’s Markets: Local Markets that sell their ag products directly to customers (fruits, veggies, eggs & cheeses).

Community Supported Agriculture (CSA): Food production and distribution system that directly connects farmers and consumers. People can buy “shares” of a farm’s harvest in advance and receive a portion of the crop as they’re harvested.

Requirements:
• Add Incidental Business Activity FO-30.104
  - Misc. class, premium group 6
  - Description = Farmers Market or CSA
  - Endorsement must remain on policy for the full policy term

Ineligible Risks:
• Farm-to-Table- ON PREMISES (Allows for guests to come to the local farm/ranch and enjoy a meal prepared using the farm products [including livestock] raised on the insured location)
• Any Meat Processing- We cannot accommodate a client that processes/butchers their own meat.
Business Pursuits – Business Not Owned or Controlled by an Insured (FO-30.105)

This endorsement extends Coverage F (Liability) and Coverage G (Premises Medical) to apply to the business pursuits of the insured when the insured does not have any ownership or financial control of the business.

The endorsement is designed for a limited scope of coverage and does not replace professional liability coverage. Please refer to your policy language for a list of specific exclusions.

Three classifications for this endorsement:
- Clerical office employees
- Salespersons, collectors, or messengers
- Teachers

Personal and Advertising Injury Coverage (FO-30.106)

This endorsement extends Coverage F (Liability) for Personal and Advertising Injury Coverage. The endorsement is designed for a limited scope of coverage and does not replace professional liability coverage. Please refer to your policy language for a list of specific exclusions.

Death of Livestock by Collision (FO-30.109)

This optional coverage provides protection for your client’s livestock, not otherwise covered, for death resulting from collision with a motor vehicle, provided the motor vehicle is not owned or operated by an insured or an insured’s employee, the animal is within a public roadway and is not being transported, and death to the animal occurs within 15 days after the date of the collision.

Coverage is provided when livestock is killed by a vehicle or a train. The claim must first be presented to the railroad company involved.

Claim settlement will not exceed actual cash value of the livestock, subject to a $2,000 per head of livestock, unless specifically scheduled on Inland Marine for Peril Y.

Field underwriting – Poor fencing and proximity to major highways can easily create an unacceptable situation.

Rates are based on:
- Open range: Fences are not used to keep the livestock off of public roads and highways.
- Closed range: Fences are used to hold livestock back from public roads and highways.

If the range is a mix of open and closed, rate as open range.
Death of Livestock by Collision (FO-30.109) Continued

Deductible Options

Available Deductible Options include:
  • $100
  • $250
  • $500
  • $1,000

Recreational Vehicle Liability (FO-30.111)

Recreational vehicles include any motorized land vehicle designed for recreation and principally used off roads, whether licensed or not. Ineligible if used in connection with racing/competition.

MVRs are required for all operators. Provide names and driving information, including driver’s license number and date of birth, on all household watercraft operators.

*Do not bind if the operator’s driving record does not meet requirements for Mountain West Auto Coverage.*
Boarding and Training of Horses (FO-30.115)

Business activities are excluded under the liability and premises medical portions of the contract, which includes the business of boarding and training horses. The Boarding and Training of Horses endorsement can be added to provide coverage for the use and occupancy of the insured location to board and train horses.

Coverage applies to those people who use the insured’s location to board their horses.

Coverage does not apply to:
- Riding instruction
- Renting or leasing horses
- Rodeos, contests, or horse shows (including practicing for such)
- Operations of a horse sale, auction, veterinary stable, livery stable, guest ranch or racing stable

Injury to horses of others in the care, custody, or control of the insured is excluded.

No coverage exists for accidents due to bad hay, fodder, etc.

Premium is based on:
- Number of horses;
- Are horses being ridden on premises; and
- Whether the insured is only boarding the horse(s) or training horses as well.
**Additional Interests “Guest Ranch”, “Outfitter” or “Guide” (FO-30.117)**

Farmers or ranchers who are engaged in guest ranch operations, including guiding or outfitting, may need to extend their farm liability protection to the United States Government for those activities that occur on public lands. This endorsement amends the definition of insured to include the US Government, but only with respect to bodily injury or property damage if caused by an act or omission by you or by someone acting on your behalf in the performance of your Guest Ranch, Outfitter or Guide operations.

If the guest ranch guiding or outfitting operation on the insured premises is a different name than the named insured, it should be submitted to the Home Office for prior approval before binding.

The US Government’s status as an insured under this endorsement ends when your operations cease on US Government property.

We will provide the US Government with 30 days written notice should the policy cancel or if coverage is reduced.
Additional Resident Premises Liability Endorsement (FO-30.118)

If your client owns a second home or cabin or rents a dwelling, they have a liability exposure that needs to be covered. This endorsement provides the liability coverage required for owning or renting additional dwellings. This endorsement provides Coverage F (Liability) and Coverage G (Premises Medical) for additional premises listed on the Declarations.

This endorsement is used for both principal residence and additional residences:
- Cabins
- Secondary/seasonal homes
- Rental properties, including homes used by the insured’s children

When extending liability from the primary residence, the same limit of liability applies to the Coverage E property.

Coverage E properties at the same location as the primary residence automatically receive liability.

Coverage E properties at a separate location from the primary residence do not automatically receive liability coverage. Therefore, coverage must be extended with this endorsement.

One charge should be made for each location.

Example: If an insured owns a 4-plex, only one charge needs to be made to the location.
Bed and Breakfast (FO-30.124)

This endorsement modifies coverage under Section I- Property and Section II – Liability and Premises Medical coverages for the client’s liability arising out of the use and occupancy of a Bed and Breakfast operation.

The Bed and Breakfast facility must be a dwelling that:
- Is used to provide temporary accommodations to the public for a charge;
- Has no more than five units;
- Has an average of ten persons per night over a 30-day period; and
- Serves no more than two family-style meals in a 24-hour period.

Requirements:
- The Bed and Breakfast must be located on the insured’s residence premises
- The dwelling must be in exceptional condition because of the additional risk associated with guests.

*Wyoming Bed and Breakfast operations are required to possess a current, valid permit from the Division of Health and Social Services. The permit numbers must be submitted with the application.*
Contingent Employers Liability “Stop Gap Coverage” (FO-30.128)

**NOT AVAILABLE AFTER JULY 1, 2010**

It is the purpose of “stop gap” coverage to provide your client employers liability when Workers’ Compensation coverage is carried on their farm employees but employers liability coverage is not included in the Workers’ Compensation benefits. There are circumstances when an employee who is subject to Workers’ Compensation benefits may be precluded from collecting them, or where the employee has the right to reject the benefits and file a common-law action against the employer.

A Workers’ Compensation policy must be in force in order for this coverage to apply. You will need to advise us of the company providing Workers’ Compensation coverage, policy number, effective date of coverage, and payroll.

Minimum premium = $25.00.

**Stop Gap (FO-30.128) verses Employers Liability Coverage H**

<table>
<thead>
<tr>
<th></th>
<th>Wyoming policies that carry Workers’ Compensation</th>
<th>Wyoming policies that do not carry Workers’ Compensation</th>
<th>Montana policies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stop Gap</strong></td>
<td>Grandfathered on existing policies only</td>
<td>Do not add</td>
<td>Grandfathered on existing policies only</td>
</tr>
<tr>
<td><strong>Employers Liability</strong></td>
<td>Do not add</td>
<td>Okay to add</td>
<td>Do not add</td>
</tr>
</tbody>
</table>
### Employment Issues

#### Workers’ Compensation Coverage

*For definition purposes only. This information is not contained in the policy.*

Workers’ Compensation is a system of law whereby when an employee sustains a work-related injury, the employer is obligated to pay them certain benefits during the period of disability which is related to the injury sustained. Its purpose is to alleviate some of the financial hardships of employees who sustain work-related injuries, sickness, or death as well as the hardships of their dependents.

**Montana**

Workers’ Compensation coverage is mandatory for farm employees and is administered by the State of Montana. This coverage may be purchased by contacting our Brokerage department or the State of Montana.

**Wyoming**

Workers’ Compensation laws allow farmers and ranchers to provide coverage for their employees either through employer’s liability coverage (offered by Mountain West) or Workers’ Compensation funds (offered through Brokerage).

#### Contract Labor

*For definition purposes only. This information is not contained in the policy.*

- Contract labor is considered any person conducting their business on the insured location, including the employees of that person, under a contract entered into with the insured. The insured should verify that the contractor carries Workers’ Compensation on their employees.
- Examples include operations such as sheep shearing, beet or wheat harvesting, or cattle hauling.
- Contract laborers and their employees are specifically excluded from any medical payments coverage under this policy.

#### Exchange Labor

- Included in the policy with farm liability.
- No premium charged for this coverage.
- Provides medical payment coverage to anyone injured while working on the insured premises on an “exchange basis” and not receiving wages for their work.
- Includes other farmers or ranchers helping the insured with the understanding that the insured will help them in turn with a similar activity or chore.
- Does not apply if wages are paid.
Home Child Care (FO-30.130)

We can offer coverage for child care services provided by an insured on the residence premises by adding the Home Child Care endorsement, which extends coverage under Section I – Personal Property and Section II – Liability and Premises Medical.

This includes:
- $5,000 for business personal property located at the insured location
- $1,000 for business personal property located away from insured location

Liability is extended to include business activities on insured location, but only in regards to the Home Child Care

We do not offer coverage if
- There are seven (7) or more children under the insured’s care.
  - A child is counted even if he/she is at the care center for only a half day or “part time.”
  - This limit includes the insured’s children under the age of six (6)
- The insured fails to comply with any licensing, registration requirements, or any state laws or regulations.

If the insured has too many children to qualify for this endorsement or chooses to obtain child care coverage elsewhere, we require an annual copy of the Declarations from their coverage provider.

Dog Restrictive Endorsement (FO-30.132)

We may request this endorsement to restrict the liability exposure arising from a dog that has previously bitten someone or shows aggression.

Guest Ranch, Outfitter, or Guide Activities (FO-30.133)

Many farmers and ranchers have found success in expanding their farming or ranching operations to include guest ranch operations. We are a preferred-risk carrier and must be very selective regarding this coverage. There are many great operations that farmers and ranchers are entering into; however, many activities are excluded in the treaty we have signed with our reinsurer. If you have any questions as to whether the activities your client has offered qualifies, please call your underwriter. Business exposures are specifically excluded in the contract language, so it is necessary to add the Guest Ranch Coverage endorsement when your client is involved in these types of activities.

The Guest Ranch Coverage endorsement can only be written to accommodate full-time working ranches that have expanded their operations to include guest/dude ranch activities.
- Guest ranch income cannot exceed 50% of the insured’s total farm/ranch gross receipts.

Limits required:
- If an Umbrella is needed on a Guest Ranch, $500,000 CSL on both Sections II and III is required.

Revised 4/2020
• When a Guest Ranch transports guests to and from the airport, a business use rating on the vehicle is required.

Coverage includes:
• Premises and operations liability; and
• Products liability for food served.

The insured must meet the following requirements:
• At least three years of experience in the activity being offered.
• A Release of Liability form must be required by the insured and signed by all participants. A copy is required with the application.
  o A copy of the waiver is required every three years.
• Questionnaire for Guided Recreational Activities Application should also be attached.
• Include a copy of the insured’s guest ranch operations brochure and/or website, if available, when writing the new business as well as at each review.

Examples of activities that qualify for guest ranch coverage (remember, the guest ranch endorsement is for overnight guests only).

• Guided fishing/hunting
• Guided scenic float trips
• Guided horse trail rides
• Hiking trips
• Picnic grounds
• RV space rentals
• Fixing fence
• Moving cattle only on the insured’s premises
• Barn dances
• Horse and buggy tours – on the insured’s premises
• Weddings/Corporate retreats

Some risks may be eligible but only with prior home office approval. Please submit these risks as a trial:

• Hay wagon, sleigh rides or carriage rides
• Pre-defined archery range such as
• Pre-defined rifle/shotgun range

Ineligible Risks include:
• Guest ranch equine activities offered to anyone who is not an overnight guest of the ranch
• Rental of any type of equipment
• Operations of
  o Ski tows
  o Ski runs
  o Skijoring
  o Alpine skiing or snowboarding
• Back country skiing or snowboarding
• Extreme winter sport events
• Loss caused by an assault, whether or not provoked, that is committed by an insured, employee, or someone acting on behalf of the insured
• The business of manufacturing, distributing, selling, or serving alcoholic beverages
  o Causing or contributing to the intoxication of any person
  o To a person under the legal drinking age or under the influence of alcohol; or
  o In violation of any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages
• Circuses, carnivals, fairs, rodeos, racetracks, and guest ranch, outfitter, or guide activities with respect to injury or damage arising from any mechanically operated device
• Petting zoos
• Injury to any person practicing for or participating in any exhibition, sport, or athletic contest
• Sale of firearms
• Firearm instruction
• The preparation or participation in firearm competition
• Loss cause by or arising out of a work performed, services or products supplied or provided by others on behalf of any insured
• The preparation, instruction or participation in:
  o Equine competitions and clinics
  o Rodeo activities
• Food which is not served, prepared, handled or stored by an insured
• Use of kayaks
• Livestock drives occurring away from the insured location
• Participation in branding

The above list is just an overview. Please see the policy for actual language. In addition, ineligible risks for Mountain West may be submitted to Brokerage.

Minimum premium = $175.00.

Some rating factors for the guest ranch include:
• Number of saddle horses
• Number of pack horses
• Swimming pool
• Number of boats
• Number of snowmobiles
• Hot tub/sauna
• Waiver – a discount is offered for dude ranches that use waivers in their activities.
Livestock Blizzard Endorsement (FO-20.146) - Blanket
-- Wyoming Only --

If all livestock is insured under the Farm Personal Property Blanket with Peril Y, this endorsement may be added. Coverage is provided for direct loss to livestock caused by freezing or smothering in blizzards or snowstorms.

Livestock Blizzard Endorsement (FO-20.147) - Blanket or Inland Marine
-- Wyoming Only --

If livestock is insured under the Farm Personal Property Blanket with Peril Y and/or Inland Marine, this endorsement may be added. Coverage is provided for direct loss to livestock caused by freezing or smothering in blizzards or snowstorms.

Special Considerations for Endorsements FO-20.146 and FO-20.147

A deductible of $1,000 per occurrence will apply. In order to add these endorsements, all livestock must be insured to value. Additionally, the amount of coverage for these endorsements must be consistent with the amount of coverage shown for livestock on the blanket or Inland Marine.

Exclusions:
- Against loss while livestock are inside buildings.
- Against loss caused by smothering in or under stacks of hay or straw

Special conditions:
- Coverage shall commence at 12:01 a.m. Mountain Standard Time on the 14th day after the request is received in the Home Office.
- Can only be removed from the policy at renewal.
- The premium is considered fully earned.
**Section III Coverage – Automobiles**

The Country Squire policy offers optional coverage for your client’s automobiles and farm-use vehicles. This provides them with the option and ease of having their automobile insurance included in their CQ package. Our CQ automobile premium also reflects the seasonal or limited-use exposure of farm vehicles, such as grain trucks, trailers and farm-use pickups. We will require that all vehicles, including personal-use automobiles owned by the named insured should be included in Section III.

The pleasure use driver class will be assigned to each automobile that is driven from the CQ premises to a place of work and to those automobiles which are not principally garaged on the CQ property.

One vehicle on the policy must be assigned a private passenger automobile rating (Use Code A). Farm driver class may still apply to these vehicles.

Please refer to the Section III – Automobile tab for details on automobile rules.

**Section III Optional Endorsements**

**Employer’s Non-Ownership Liability (FO-40.124)**

Employer’s non-ownership liability protects the policyholder against liability claims that may arise when employees or agents of the named insured use non-owned automobiles hired by the policyholder in their farm operations.

This coverage is **excess insurance** over any other valid and collectible insurance.
Section IV Coverage – Inland Marine

Scheduled farm personal property, leased mobile agricultural machinery, and recreational vehicles (4-wheelers and snowmobiles) are three examples of property that may be insured under the Inland Marine section of the CQ policy. This coverage is sometimes necessary due to some limitations and exclusions contained in our policy. Many of these limitations may be expanded through the Inland Marine endorsements.

Section IV – Optional Endorsements

Livestock Bailee Coverage Endorsement (FO-50.112)

“Named Peril” coverage is provided for the death or injury to non-owned livestock boarded or trained by the insured or otherwise in the care, custody, and control of the insured.

Co-insurance of 80% applies.

The maximum amount payable for all livestock injured or destroyed in an occurrence is the limit of liability shown on the Declarations.

The maximum amount payable for any one animal is $1,500 or the actual livestock market value at the time of loss, whichever is less.

All premiums are fully earned. Minimum Premium is $100

Available Deductible Options Include:
- $100
- $250
- $500
- $1,000
- $1,500
- $2,000
- $2,500
- $5,000
- $10,000

Leased Mobile Agricultural Machinery Coverage (FO-50.117)

Leased mobile agricultural endorsement can be used for short or long term leases on a Country Squire policy. Please see the Inland Marine section for more details.
**Section V Coverage – Umbrella**

Umbrella coverage extends the total amount of liability protection that your client receives. Please refer to the Section V – Umbrella tab for details.

**Surcharges**

Coverage E dwelling surcharges:

- Woodstove
- Wood Roof

**Discounts**

See Sections I, II, and III of the manual for a complete description of available discounts.

Note: discounts are factored from base rates, not from the total premium.

Discounts that apply directly to a Country Squire policy are as follows:

**Montana**

- No Section IV package discount available.

**Wyoming**

- No Section III package discount available.
- No Section IV package discount available.

<table>
<thead>
<tr>
<th>Discounts</th>
<th>Coverage A</th>
<th>Coverage E</th>
<th>Outbuildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Home</td>
<td>X</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Actual Cash Value</td>
<td>X</td>
<td>If replacement cost</td>
<td>If replacement cost</td>
</tr>
<tr>
<td>Automatic Sprinkler</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Premises Alarm</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hail Resistive Roofing</td>
<td>X</td>
<td>X</td>
<td>No</td>
</tr>
<tr>
<td>Discount</td>
<td>Size</td>
<td>Use</td>
<td>Limitation</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------------------------</td>
<td>--------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td>Farm Utility Vehicle – Use Code W</td>
<td>Under 1 ½ tons Must be documented</td>
<td>Predom. Farm</td>
<td></td>
</tr>
<tr>
<td>Farm Truck – Use Code F</td>
<td>1 ½ tons or more Must be documented</td>
<td>Limited to Farm</td>
<td></td>
</tr>
<tr>
<td>Farm Service – Use Code F W/ End. S</td>
<td>Truck type vehicle</td>
<td>Limited to Farm</td>
<td>Permanently Mounted Farm Equipment</td>
</tr>
<tr>
<td>*Limited Farm Use – Use Code F W/ End. U</td>
<td>1 ½ tons or more Must be documented</td>
<td>Limited to Farm</td>
<td>&lt; 3,000 miles per year Not used with semi-tractor trailer units</td>
</tr>
<tr>
<td>*Farmers Semi Tractor – Use Code P</td>
<td>Semi</td>
<td>Limited to Farm</td>
<td>Radius of 200 miles</td>
</tr>
<tr>
<td>*Farm Semi Trailer – Use Code Q (full coverage only)</td>
<td>Semi Trailer</td>
<td>Limited to Farm</td>
<td>Radius of 200 miles</td>
</tr>
</tbody>
</table>
### Country Squire Farm Use Discounts, continued

<table>
<thead>
<tr>
<th>Discount</th>
<th>Size</th>
<th>Use</th>
<th>Limitation</th>
<th>Discount Amount</th>
<th>Group</th>
<th>Available Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Farmers Pup Trailer – Use Code R (full coverage only)</td>
<td>Pup Trailer</td>
<td>Limited to Farm</td>
<td>Radius of 200 miles</td>
<td>2</td>
<td>SD, DD and Patriot</td>
<td></td>
</tr>
<tr>
<td>*Farmers Limited Use Pup – Use Code R (full coverage only)</td>
<td>Pup Trailer</td>
<td>Limited to Farm</td>
<td>&lt; 3,000 miles per year</td>
<td>25% Physical Damage</td>
<td>2</td>
<td>None</td>
</tr>
<tr>
<td>*Farmers Limited Use Semi Tractor – Use Code P</td>
<td>Semi</td>
<td>Limited to Farm</td>
<td>&lt; 3,000 miles per year</td>
<td>25% Physical Damage</td>
<td>2</td>
<td>MC</td>
</tr>
<tr>
<td>*Farmers Limited Use Semi Trailer (full coverage only)</td>
<td>Semi-Trailer</td>
<td>Limited to Farm, on policy with Limited Use Semi Tractor</td>
<td>Based on Semi miles Radius of 200 miles</td>
<td>25% Physical Damage</td>
<td>2</td>
<td>None</td>
</tr>
<tr>
<td>Mini Semis – Use Code X</td>
<td>12,000 GVW (1 ton) &lt; and &lt; 40,000 GVW</td>
<td>Primarily Farm/personal No hauling for hire or business use</td>
<td>2</td>
<td>SD, MC, DD and Patriot</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Discounts:
- SD – Safe Driver
- MC – Multi-Car
- DD – Defensive Driver
- LM – Low Mileage
Country Squire Individual Risk Premium Modification Worksheet

The purpose of the program is to allow deviations to premium for Country Squire risks that have a higher/lower risk exposure than the average CQ risk. The IRPM program is available for Country Squire Policies only and should help when competing against commercial carriers who write farm and ranch risks on commercial policies.

The debit/credit applies to all sections of the Country Squire policy except Section V – Umbrella

General Rules

Available on new and renewal policies.

Premiums must exceed $3,000 before the discount/surcharge can be applied. Will be removed if premium does not exceed $3,000.

Discount/surcharge may be requested by the agent.

Maximum debit/credit is 25%. This must be approved by underwriting. The agent has authority to assign a 1-10% deviation.

Discount cannot be applied mid-term.

<table>
<thead>
<tr>
<th>Risk Attribute</th>
<th>Range Allowed</th>
<th>Deviation Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience of Operator</td>
<td>-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Premises Maintenance</td>
<td>+/-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Formal Loss Control Programs</td>
<td>-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Risk Transfer</td>
<td>+/-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Employee Training/Safety Programs</td>
<td>-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Activities Increase In Hazard</td>
<td>+</td>
<td>1-5%</td>
</tr>
<tr>
<td>Loss History</td>
<td>+/-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Special Safety Equipment</td>
<td>+/-</td>
<td>1-5%</td>
</tr>
<tr>
<td>Total Deviation (A total maximum of 25% applies)</td>
<td>+/-</td>
<td>1-10% (agents) 1-25% (Home Office)</td>
</tr>
</tbody>
</table>
## Individual Risk Premium Modification Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Rules</th>
<th>Documentation Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience of Operator (Credit)</td>
<td>1-5% credit allowed for years of experience of the operator. (credit may be removed if three-year loss history exceeds 80%)</td>
<td>Written detail on the worksheet.</td>
</tr>
</tbody>
</table>
| Premises Maintenance (Credit/Charge)        | Credits of 1-5% allowed for risks that demonstrate above-average or superior premises maintenance.  
Surcharges of 1-5% may be added for risks that demonstrate below-average or marginal premises maintenance. | Photos of property. (updated every 5 years)                |
| Formal Loss Control Program (Credit)        | Credits of 1-5% allowed for risks that implement formal loss control programs that will mitigate property and liability exposures. | Copy of the client’s loss control program.                   |
| Risk Transfer (Credit/Charge)               | Credits of 1-5% allowed for risks that mitigate their property/liability exposures through written agreements.  
Surcharges of 1-5% may be added for risks that assume property/liability exposure through written agreements. | Copy of the written agreement.                              |
| Employee Training/Safety Programs (Credit)  | Credits of 1-5% will be allowed on risks that implement formal employee safety training programs that will mitigate employee, property, or liability exposures. | Copy of the client’s formal employee safety training program. |
| Activities Increase in Hazard (Charge)      | Surcharges of 1-5% will be added when the operator of the CQ participates in activities that increase normal farm or ranch exposure (exposures that are not reflected in the normal CQ rating). | Detailed description of activity(ies) described on worksheet. |
| Loss History (Credit/Charge)                | Credits of 1-5% will be allowed when three-year loss history is better than 30%.  
Surcharges of 1-5% will be added when three year loss history exceeds 80%. | Detailed loss history letter from prior carrier.             |
| Special Safety Equipment (Credit)           | Credits of 1-5% will be allowed on risks that have installed and maintained special safety equipment that is not already credited in the property program. | Photos of the system and/or system specifications including maintenance program. |
Definitions

**ACCIDENT YEAR:** Year the loss actually happens.

**ACCIDENTAL DEATH INSURANCE:** Optional coverage that pays the amount shown in the endorsement for death or dismemberment caused by the accident. The death or dismemberment must be a direct result of the accident and not due to any other cause within one year from the date of the accident.

**ACQUISITION COSTS:** Costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts.

**ACT OF GOD:** An event that is caused by the forces of nature, without human intervention, and that could not have been prevented by reasonable care (e.g., flood, lightning, earthquake, hurricane, etc.).

**ACTUAL CASH VALUE:** An amount which limits the company’s payment to the actual cash value of an item at the time of loss or damage. Usually includes a deduction for depreciation.

**ACTUARY:** Specialist in the mathematics of insurance who calculates rates, reserves, dividends and other statistics.

**AD&D:** Accidental Death & Dismemberment insurance. One of the Farm Bureau membership benefits. See definition for Accidental Death Insurance.

**ADJUSTER:** A person, usually a salaried employee, who settles or adjusts claims.

**ADMITTED ASSETS:** Assets recognized and accepted by state insurance laws in determining the solvency of insurers and reinsurers.

**ADVERSE SELECTION:** Selection against the insurer; the tendency of more poor risks to buy and maintain insurance than good risks.

**AGENT:** The individual licensed by the state and appointed by an insurer to sell and service insurance policies.

**AGENT, CAPTIVE:** A representative of a single insurer. In the case of captive agents, the insurer owns and controls expiration dates and policy records.

**AGENT, NON-EXCLUSIVE:** An agent in business for himself or herself, selling insurance for many different companies. Paid by commission on sales.
**AGGREGATE LIMIT:** Indicates the amount of coverage the insured has under the contract for a specific period of time, usually the contract period, no matter how many separate accidents might occur.

**ALAE:** Allocated Loss Adjustment Expense. The portion of expenses that are allocated to loss adjustment expenses. An example would be salaries, travel, phone, etc.

**A.M. BEST:** A nationally recognized company that independently rates the financial soundness of insurance companies. A strong rating is necessary for companies to enter into some reinsurance contracts or would be a determining factor for an insurance department to allow a company to begin writing in their state. Mountain West currently has one of the highest ratings, that of A+ Superior.

**ANNUAL STATEMENT:** The Company’s yearly financial report to insurance departments issued at the close of the year. This report is required by the various insurance departments and is made according to a form agreed upon by the supervising authorities.

**AOI:** Amount of Insurance

**APP:** A short term for application.

**APPLICANT:** A person who fills out and signs a written application for insurance.

**APPLICATION:** A questionnaire providing space for information to be used to determine the insurance coverage required, as well as the acceptability of the insurance risk and the amount of premium. A questionnaire that must be filled in, when required, by the person seeking insurance. It gives the company full information about the proposed subject of insurance and the person to be insured, for the purpose of determining whether the company will issue the policy. In some types of insurance, it becomes part of the policy.

**APPRECIATION:** Rise in value or price. Increase in worth or value.

**ARSON:** The willful and malicious burning of property, sometimes with the intent of defrauding insurance companies.

**AS 400:** IBM mini-computer introduced in 1988. It is replacing most small mainframe computers due to its versatility, cost, usability, scalability and productivity.
**ASSIGNED RISK:** A driver or owner who cannot qualify for insurance in the regular market. This driver must get coverage through a state assigned risk plan that specifies each company must accept a proportionate share of poor risk applicants. Premiums are usually higher and coverage is restricted.

**ASSIGNEE:** The person to whom policy rights are assigned in whole or in part by the policy owner.

**ASSIGNMENT:** (1) Transfer of rights in a policy to other than the policy owner. (2) In Medicare, agreement by the provider to accept Medicare’s approved amounts as full payment.

**ASSUMPTION:** The amount accepted as reinsurance.

**ATTRACTIVE NUISANCE:** A dangerous place or instrumentality attractive to children. The owner of an “attractive nuisance” has the legal duty of taking unusual care to guard children from it.

**AUTO CLUE:** A report that summarizes all auto losses for a given individual.

**AUTO MD:** Material damage. Combination of comprehensive and collision coverages.

**BASIC LIMITS:** Certain minimum amounts of liability to be covered by insurance. It is customary to quote premiums in terms of these minimum amounts.

**BENEFICIARY:** A person who may become eligible to receive, or is receiving, benefits under an insurance plan, other than as a participant.

**BINDER:** Notification from an agent that insurance has been affected and is immediately in force; used in certain cases to protect a policyholder when it is not possible to issue a policy or endorse the old policy immediately. A temporary agreement that the policy is in effect.

**BODILY INJURY:** Injury to the body of a person. The term is usually specifically defined in the policy, and these individual definitions have variations.

**BOP:** Businessowners Policy.

**CANCELLATION:** Termination of an insurance contract before the end of the policy period, by the insured or insurer, usually in accordance with provisions in the contract.
CASE RESERVE: A liability for loss estimated to be paid in the future on an outstanding claim.

CATASTROPHIC LOSSES: Losses that go beyond or deviate significantly from actuarially derived expected losses.

CEDE: Means by which an insurer transfers some of its risk to a reinsurer.

CEDING COMPANY: Insurer who places reinsurance business of its original risk with a reinsuring company.

CHARGEABLE ACCIDENT: Any claim over $500 that was paid as Bodily Injury (BI), Property Damage (PD), or single car collision.

CITRIX: Software that facilitates a multi-user NT environment. Citrix uses the horsepower of a file server for processing power and eliminates the need for a high-powered PC. Citrix enables us to have 30 users share one server compared to having one user per PC.

CLAIM: The demand of an insured or third party for benefits as provided by the policy.

CLAIMANT: One who makes a claim.

COINSURANCE: Provision in an insurance policy, usually optional, under which the policyholder, for a reduced rate, agrees to maintain insurance equal to a specified percentage of the value of the property covered. Policyholders who fail to maintain the minimum amount of coverage specified assume a proportionate share of the loss.

COMBINED RATIO: The ratio of losses plus loss adjustment plus expenses to earned premium. This ratio measures the company’s overall underwriting profitability. A combined ratio of less than 100 indicates the company has reported an underwriting profit.

COMMISSION: A percentage of the premium paid to an agent or broker in return for business procured by the agent.

CONTRIBUTORY NEGLIGENCE: The act or omission to act on the part of one person, which, when with the act or omission of another, sometimes called a tortfeasor, can be considered a contributing cause of the accident or injury complained of.
**COUNTRY HOME:** A policy offered by Mountain West Farm Bureau Insurance that specializes in coverage for insureds living in the country but deriving their income from an occupation other than farming or ranching. Coverage includes home, auto and limited farm personal property.

**CP:** City Squire Policy (package policy - usually autos and homeowners).

**CQ:** Country Squire Policy (farmowners package policy – usually autos, home, outbuildings and farm personal property).

**CURRENT RATIO:** A ratio that is often used to analyze liquidity and that is equal to the ratio of current assets to current liabilities.

**DEDUCTIBLE:** A certain dollar amount specified in some property insurance policies, beyond which insurance protection begins. The insured assumes the loss up to the limit of the deductible amount; then the Company pays any loss over that amount.

**DEVELOPMENT OF LOSS RESERVES:** Comparison of the loss reserves outstanding at the particular date with the total of the payments on such losses from the reserve date, plus the estimated losses still unpaid at the date of the development.

**DIRECT WRITER:** An agent who represents only one company, or a company that employs such agents.

**DIRECT WRITTEN PREMIUMS:** Amount of premium actually paid by the policyholder.

**DOMICILED COMPANY:** Insurer incorporated or chartered within a particular, specified state or jurisdiction as its principal legal residence. Also known as a domestic company. Mountain West is domiciled in Wyoming.

**EARNED PREMIUM:** Portion of a premium that has been earned by the insurance company, based on the expired portion of the policy period.

**EDP:** Electronic Data Processing.

**ELECTRONIC APP:** A form that transmits data, equivalent to a handwritten application, over a network. Electronic apps reduce paper and create efficiency since handling is minimal.

**EMAIL/SPAM FILTER:** Used to monitor and control the type of email traffic allowed.
ENDORSEMENT: An amendment in writing (including printing or stamping) added to and made a part of the insurance contract for the purpose of changing the original terms—either to restrict or expand coverage.

ENTERPRISE RISK MANAGEMENT (ERM): Guides our organization in viewing risk from a portfolio perspective and helps to provide a risk response strategy. This process will identify potential events that may affect our organization, manage risks in a way that allows us to preserve our financial strength, capitalize on opportunities, define our appetite for risk, and provide a resource to objectively evaluate the effectiveness of our achievement of our company objectives. Risk management is a part of our everyday decisions in this organization. An enterprise risk management system will help us keep those risks within our tolerance levels and will reduce the uncertainty of outcomes when we make decisions about risk. This system will help us to better utilize our capital and to exploit the opportunities that risk brings.

EXCESS OF LOSS REINSURANCE CONTRACT: A reinsurance contract that does not provide recovery for the ceding company until the loss exceeds a set dollar amount per risk.

EXPENSE RATIO: (1) Pure Expense Ratio - this is taking all expenses, including ALAE, and dividing it by earned premium. This is the ratio that appears in our Board Book. (2) Expense Ratio as a Percentage of Written - this is expenses less ALAE divided by written. This ratio is used because if a company is writing a lot of new business, their acquisition expenses are higher (commissions, costs to issue new policies, etc.). This ratio is felt to be a fairer and better predictor of where a company’s expenses are really trending. This is the ratio used by American Agricultural in their quarterly reports. (3) Expense Ratio as a Percentage of Earned - this ratio is expenses less ALAE divided by earned premium. This is the ratio used in the annual statement filed with the various insurance departments and the NAIC.

EXPERIENCE: A record of premiums and losses; the basis upon which future rates are predicted.

EXPERIENCE RATING: The method used by insurers to adjust a group's premium to reflect the group's actual claim experience.

FARM: means a location used for agricultural purposes.

FCL: Farmowners Comprehensive Liability

FIDUCIARY DUTY: A duty to act for the benefit of Mountain West Farm Bureau Insurance and its policyholders while subordinating one's personal interests to that of the corporation and policyholders.
FOREIGN INSURER: This term is used to describe an insurer domiciled in another state.

FRAUD: Deception or artifice used to deceive or cheat. In insurance it is understood to be related to misrepresentation and concealment. Proof of willful fraud is grounds for voiding a policy.

GUEST RANCH: means a functioning ‘farm’ that offers eligible recreational activities. The activities must be associated with its operations for guests who stay overnight on the ‘farm’ premises. Includes food services provided to such guests.

GUIDE: means anyone who leads hunting, fishing, and/or scenic trips for private parties.

HARD MARKET: This is a time in the insurance cycle where the industry is pricing and underwriting to produce an underwriting profit. Rates tend to be higher and insurance coverage is less available.

IBNR: Incurred But Not Reported. Typically referred to as a reserve setup for claims that have happened but have not been reported to the Company.

IDENTITY THEFT: Identity theft is the stealing the identity of others by using their credit card, driver’s license, social security or other personal identification numbers. The thief uses the information to open new accounts or to access existing accounts. Not only can the thieves run up bills for the victims, but they can commit crimes pretending to be the victim, who may have enormous difficulty proving otherwise. Identity theft insurance can provide coverage for expenses incurred as a result of identity theft.

IM: Inland Marine.

INCIRED OFF LOSS RATIO: The relationship between incurred losses and earned premium, usually expressed as a percentage.

INCURRED YEAR: Year when the loss is actually recognized in the financial statements.

INDEMNIFICATION: A principle of insurance that states the individual should be restored to the approximate financial position occupied prior to the loss.

INDEPENDENT ADJUSTER: One who adjusts losses on behalf of companies but is not on their payroll. The independent adjuster is paid a fee for each loss adjusted, as distinguished from a company adjuster who is paid a regular salary by one company.
**INSURABLE INTEREST:** A situation that exists if a person or other entity would suffer a financial loss if property were damaged or destroyed.

**INSURANCE:** A social device where many share the losses of a few by transferring a portion of the loss to the insurance company in exchange for a certain cost.

**INSURANCE COMMISSIONER:** Common title for the head of a state Department of Insurance. In some states called “superintendent.”

**INSURANCE SCORING:** Insurance scores are confidential rankings based on credit information. This includes whether the consumer has made timely payments on loans, the number of open credit card accounts and whether a bankruptcy filing has been made. An insurance score is a measure of how well consumers manage their financial affairs, not of their financial assets. It does not include information about income or race. Individual insurance scores are based on credit ratings because historical data reveals a positive correlation between poor credit ratings and insurance claims. Studies have shown that people who manage their money well tend also to manage their most important asset, their home, well. People who manage their money responsibly also tend to handle driving a car responsibly. Some insurance companies use insurance scores as an insurance underwriting and rating tool.

**INSURED:** The person purchasing the insurance policy from the insurance company.

**INSURER:** The insurance company. The one who issues the insurance policy.

**ISO:** Insurance Services Organization. An organization that provides services to their member companies. The organization collects a comprehensive accumulation of loss data and provides loss costs and standardized forms for insurance companies. The companies then make a decision about whether to adopt the rates and forms. The rates provided by the services organization are more credible because they have a larger pool of statistics. The forms become standardized and more predictable in a court setting. An example of an Insurance Services Organization is ISO.

**LAE:** Loss Adjustment Expenses. Example would include direct costs, such as attorneys’ fees, and indirect costs, such as claims salaries, travel, telephone, etc.

**LAE RESERVES:** Reserves set aside to pay for adjustment costs; based on loss reserves.

**LAPSE:** Termination of a policy because of failure to pay the premium.
**LAW OF LARGE NUMBERS:** The theory of probability that is the basis of insurance; the larger the number of risks or exposures, the more closely will the actual results obtained approach the probable results expected from an infinite number of exposures.

**LIVESTOCK:** means any animal raised as a commodity on “your” “farm” *does not include dog breeders or sheep/herd dogs*

**LONG-TAIL LINES:** Long-tail lines include lines of business where an injury or other harm takes time to become known and a claim may be separated from the circumstances that caused it by many years. Examples of long-tail lines of business are Product Liability, Professional Liability and Employer’s Liability.

**LOSS COST:** In crop hail insurance, the ratio of incurred loss to liability, or the dollars of loss per $100 of insurance in force. In reinsurance, the total value of all losses divided by an exposure base. Also referred to as purse premium.

**LOSS DEVELOPMENT:** The process of change in amount of losses as a policy or accident year matures, as measured by the difference between paid estimated outstanding losses at some previous point in time. In common usage, it might refer to development on reported cases only, whereas a broader definition would also take into account the IBNR claims.

**LOSS INCURRED:** Losses paid, plus reserves on unpaid claims.

**LOSS PAID:** Amount actually paid on claims.

**LOSS RATIO:** Ratio of losses incurred to earned premium.

**LOSS RESERVES:** Liability established to pay anticipated claims costs and expenses associated with settling claims, including a provision for incurred but not reported losses.

**MERIT RATING:** A method for determining the future cost of an insurance policy by charging an amount based upon past experience for that risk.

**MISREPRESENTATION:** The use of written or oral statements falsely representing the terms, benefits or privileges of a policy, or the health or condition of the proposed insured.

**MOBILE AGRICULTURAL MACHINERY AND UNLICENSED EQUIPMENT:** means mobile devices used in the everyday operation of a ‘farm’ and designed to be used principally off public roads including: 1. Accessories, whether or not attached. 2.
Tools and spare parts that are specifically designed and intended for use in the maintenance and operation of the mobile devices. 3. Your unlicensed ‘farm’ truck.

**MONOLINE/PACKAGE POLICIES:** Policies that insure against one type of loss are sometimes called monoline. Policies that are designed to insured several categories of loss or provide several lines of insurance within a single contract are known as multi-line or package policies.

**MORAL HAZARD:** The hazard present in an insuring situation if the insured purposely creates a loss and then collects from the insurance company.

**MORALE HAZARD:** The hazard present in an insuring situation if the insured, through carelessness or as a result of his or her own irresponsible actions, creates a loss.

**MORTGAGEE:** The party loaning money toward the purchase of personal property. Most commonly a bank or other loaning institution.

**MUTUAL COMPANY:** One which has no capital stock, is owned by the policyholders, is managed by a board of directors chosen by the policyholders and usually issues participating insurance only.

**MVR:** Motor Vehicle Record.

**NAIC:** National Association of Insurance Commissioners.

**NAMED INSURED:** The person designated in the policy as the insured as opposed to someone who may have an interest in a policy but is not named in it. Usually includes a spouse if a resident of the same household.

**NAMED PERIL:** Insurance policy that insures only against perils named in the policy. Also called a specified peril policy.

**NAMIC:** National Association of Mutual Insurance Companies

**NCF:** A report from a national credit file that rates various attributes of bill payment history for a given individual.

**NEGLIGENCE:** Failure to do what a reasonably prudent person would ordinarily do under the circumstances. Negligence may be caused by acts of omission, commission or both.

**NET EARNED PREMIUMS:** Portion of a premium that has been earned by the insurance company, based on the expired portion of the policy period.
**NET WRITTEN PREMIUMS:** Premium income retained by the insurance company, direct or after reinsurance transactions.

**NEW PREMIUMS:** A term used to identify new policies sold and issued. The reason it is broken out between new and renewal is that the cost of new business is much higher. Is commonly referred to as acquisition costs.

**NO-FAULT INSURANCE:** Any insurance coverage in which individuals are indemnified for their own losses by their insurance company, regardless of fault. Most frequently refers to the liability portion of the automobile policy in states with no-fault laws.

**NON-OWNED AUTO:** means a ‘trailer’ or ‘auto’ 1. In the custody of or operated by ‘you’ or ‘your’ ‘relative’. Custody means immediate control of the ‘auto’ or ‘trailer’ exercised by ‘you’ or ‘your’ ‘relative’ with physical presence in or at the ‘auto’ or ‘trailer’. The actual use must be with the permission of the owner. 2. Not owned by ‘you’ or ‘your’ ‘relative’ 3. Not available for regular use by ‘you’ or ‘your’ ‘relative’ and 4. Not used for commercial use in interstate commerce.

**OCCURRENCE:** Coverage on an “occurrence” basis is generally considered to differ from coverage on an “accident” basis in that “occurrence” means gradual or accumulative damage without regard to the exact time or place, whereas “accident” refers to instantaneous damage, identifiable as to time and place. In other words, “occurrence” may be defined as an event, or repeated exposure to conditions, which unexpectedly cause injury during the policy period.

**OCCUPYING:** means 1. In 2. On; or 3. Getting in, on, out, or off. This does not include activities nearby the ‘insured auto’ or ‘insured trailer’.

**OUTFITTER:** means anyone who contracts with private parties to conduct hunting, fishing, and/or scenic trips.

**PACKAGE POLICY:** A combination of coverages of two or more separate policies in one contract. Must include basic property and liability insurance. May also include various other casualty and property coverages.

**PCI:** Property Casualty Insurance Association of America.

**PERIL:** This term refers to the causes of possible loss, such as fire, windstorm, explosion, etc.

**PERSONAL LINES:** Insurance for individuals, particularly homeowners and personal auto insurance.
**POLICY:** The document issued to the insured by a company, including all clauses, riders and endorsements.

**POLICY RESERVE:** A liability account that identifies the amount of assets that, together with the future premiums to be received from in-force policies, is expected to be sufficient to pay future claims on those in-force policies.

**POLICYHOLDER SECURITY FUNDS:** The technical term is “surplus” and describes our net accumulated wealth. If all assets and liabilities were liquidated, it would be the cash left in the bank. Surplus, in addition to loss reserves, provides financial protection to policyholders in the event that a company suffers an unexpected or catastrophic loss.

**PREFERRED RISK:** A class of risk considered to be particularly desirable.

**PREMIUM:** Sum paid for insurance coverage.

**PREMIUMS, DIRECT WRITTEN:** Amount of premium actually paid by the policyholder.

**PREMIUMS, NET EARNED:** Portion of a premium that has been earned by the insurance company, based on the expired portion of the policy period.

**PREMIUMS, NEW:** A term used to identify new policies sold and issued. The reason it is broken out between new and renewal is that the cost of new business is much higher. Is commonly referred to as acquisition costs.

**PREMIUMS, NET WRITTEN:** Premium income retained by the insurance company, direct or after reinsurance transactions.

**PREMIUMS, UNEARNED:** Portion of the premium that an insurer has collected but not earned because the policy period has not expired.

**PREMIUMS, WRITTEN:** The entire amount of premium written by an insurer.

**PRODUCER:** An insurance salesperson; i.e., an agent or a broker.

**PROOF OF LOSS:** A formal statement made by the insured to a company regarding a loss. The purpose of the proof of loss is to place before a company sufficient information concerning the loss to enable a company to determine its liability under the policy.

**PROPERTY CLUE:** A report that summarizes all property losses for a given individual.
**PROPERTY INSURANCE:** Insurance that generally protects the personal property of the individual. Fire insurance is one example.

**proprietary information:** Information obtained and assembled in the course of conducting business and considered the exclusive property of Mountain West Farm Bureau Insurance.

**pro-rata cancellation:** A system of canceling a policy before it expires and returning to the policyholder an amount of premium proportional to the unexpired days of the policy. Cancellation by the insurance company.

**Quota share reinsurance:** A form of pro-rata reinsurance (proportional) in which the reinsurer assumes an agreed percentage of each insurance being insured and shares all premiums and losses accordingly with the reinsured.

**Rate:** The premium charge for specific coverage for the regular policy period. The cost of a unit of insurance for a specified period of time.

**rated policy:** A policy issued to cover a person classified as having a greater-than-average likelihood of loss. The policy's premium rate is higher than the rate for a standard policy, or the policy is issued with special limitations or exclusions, or both.

**rating:** The determination of the premium to be charged for coverage on a risk. Based upon risk characteristics and the actuarial calculations regarding the chance of loss.

**Recreational Motor Vehicle:** means a motorized land vehicle designed for recreation and mainly used off public roads whether or not licensed. This includes, but is not limited to: 1. ATV, 2. UTV, 3. Snowmobile, or 4. Any other specialty off road vehicle. This applies regardless of number of wheels or whether open or cabbed.

**reinsurance:** Insurance that an insurer buys to spread some of its risk of loss on the policies it has underwritten. Reinsurance enables an insurer to underwrite more insurance, stabilize its underwriting results and secure catastrophe protection against shock losses.

**reinsurance assumed:** Amounts received from other insurance companies in exchange for us assuming part or all of the risk. Opposite of reinsurance ceded.

**reinsurance ceded:** Amounts ceded to a reinsurance company in exchange for them assuming part or all of a risk. For example, if we insure a building with a value of more than $1 million, our retention or total exposure would be $300,000.
**REINSURANCE POOL:** A group that cedes premium into a pool and accepts back part of the pool. A method of spreading the risk over a larger group. Commonly used in crop hail lines.

**RELEASE:** Written acknowledgment stating that all obligations past, present or future arising out of a particular accident or occurrence have been fulfilled. Signing by the claimant generally relieves a company and insured of any further obligation.

**REPLACEMENT COST:** Coverage of household destruction up to the policy face value, with no deduction for depreciation. This is generally included in a homeowners-type policy.

**RESERVE:** A sum set aside to meet future obligations. Amount of reserve varies with different types of claims as well as with differences in severity of claims.

**RESERVE DEFICIENCY:** Claims reserves are deficient when the actual settlement is more than the original reserve.

**RESERVE REDUNDANCY:** Claims reserves are redundant when the actual settlement is less than the original reserve.

**RESIDENT:** means a person who physically resides in ‘your household on a permanent basis. This includes: 1. ‘your foster child who physically resides in ‘your’ household pursuant to an agreement or order placing the foster child in ‘your’ care or custody. 2. ‘your’ unmarried child enrolled in school full-time, as defined by the school if: a. they are a ‘resident’ prior to moving to attend school; and b. are under the age of 26.

**RETENTION:** Specified amount of a loss that a company is willing to accept in a reinsurance contract. For example, currently under our casualty contract we have $500,000 retention. If one of our insureds has an accident and we pay $650,000, Mountain West pays $500,000 and American Ag. pays $150,000.

**RISK MANAGEMENT:** Management of the pure risks to which a company might be subject. It involves analyzing all exposures to the possibility of loss and determining how to handle these exposures through practices such as avoiding the risk, retaining the risk, reducing the risk or transferring the risk, usually by insurance.

**SALVAGE:** The property in which an insurance company secures an ownership interest as a result of paying a claim for total loss or damage based on the true value of the property in its undamaged state or before the loss occurred.
**SHORT-TAIL LINES:** An insurance term describing an insurance coverage that has a brief period between the occurrence and payment of a claim. Types of short-tail insurance lines are homeowners and automobile physical damage.

**SLIDING SCALE COMMISSIONS:** An adjustment made to the commissions paid to us by the reinsurance company based on our loss experience with them.

**SMP:** Special Multi-peril Policy. Commercial policy written to cover property, liability and inland marine risks for businesses and government entities.

**SOFT MARKET:** This is a time in the insurance cycle where the industry is pricing and underwriting to attract premiums and is concerned about an underwriting profit but willing to live on the investment income. Rates will tend to be inadequate during this type of market and insurance availability is abundant.

**SOLVENCY:** Having sufficient assets—capital, surplus, reserves—and being able to satisfy financial requirements—investments, annual reports, examinations—to be eligible to transact insurance business and meet liabilities.

**SPECIAL EQUIPMENT:** means equipment or devices that alter the: 1. Appearance; 2. Performance; or 3. Function of the ‘insured auto’, ‘insured trailer’, or ‘non owned auto’. It does not mean any: a. original manufacturer equipment, furnishings, or parts; or b. any replacement of original manufacturer equipment, furnishings, or parts with other items of like kind and quality. Includes but is not limited to toppers, grill guards, electronic equipment, lift kits, custom wheels, custom paint, lights or handicapped equipment.

**STATED VALUE/AGREED VALUE:** A method of valuing property in which the insurer and the insured agree on the property’s value at the time the policy is written and state the amount in the policy declarations as the amount the insurer will pay in the event of a total loss to the property.

**SUBROGATION:** The legal process by which an insurance company seeks from a third party, who may have caused the loss, recovery of the amount paid to the policyholder.

**SURPLUS:** Sum remaining after liabilities are deducted from all assets. Surplus provides financial protection to policyholders in the event that a company suffers unexpected losses.

**SURPLUS TO WRITTEN RATIO:** A ratio typically used to evaluate the financial soundness and stability of insurance companies. A ratio of 136 percent is currently considered average. The higher the ratio, the higher the financial rating.
**TRANSPORTATION NETWORK COMPANY:** means any online-enabled application or digital network whose use is to connect passengers with drivers. The purpose of the connection is to provide prearranged transportation services for compensation.

**UMBRELLA:** Policy that extends limit of coverage for auto and personal liability. Usually provides an additional limit of $1 million.

**UNDERWRITER:** The individual trained in evaluating risks and determining rates and coverage for them.

**UNDERWRITING:** Process of selecting risks for insurance and determining what amount of premium and under what terms the insurance company will accept the risk.

**UNDERWRITING GAIN OR LOSS:** Premiums earned less losses incurred less loss adjustment expenses less all other expenses. Gain or loss is before investment income.

**UNEARNED PREMIUMS:** Portion of the premium that an insurer has collected but not earned because the policy period has not expired.

**UNOCCUPIED:** Complete premise, with content, without human habitation as a resident or tenant.

**UNREALIZED CAPITAL GAINS:** Gains on the appreciated market value of an asset still owned or held. An example would be the appreciated value of our FBL stock.

**WATERCRAFT:** means a craft, vessel, or vehicle designed mainly for the transportation of people or property on or over water.

**WRITTEN PREMIUMS:** The entire amount of premium written by an insurer.

**WC:** Workers' Compensation.

**VACANT:** Property which is empty, unoccupied, deprived of contents, and without objects of intrinsic value.