

Texas

State Auto[®]
Personal Umbrella Manual



This manual contains rules applicable to the Liability coverages for the insurance of Personal Umbrella.

Refer to the policy or endorsement forms for the details of the coverage for which rules are provided in this manual.

Changes in the manual rules will be announced. Information that includes the following symbol () indicates a change.

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I – GENERAL RULES

- A. Policy** – Personal Umbrella coverages may only be written on a separate Personal Umbrella policy.
- B. Application** – A current application must be completed and submitted to the Company for each new business submission.
- C. Limits of Liability** – Personal Umbrella coverage may be provided with the following limits of liability:
- \$1,000,000
 - \$2,000,000
 - \$3,000,000
 - \$4,000,000
 - \$5,000,000
- D. Policy Changes** – Policy changes occurring during the current policy term will be reflected at the next renewal date.
- E. Policy Cancellation** – If insurance is canceled or reduced at the request of either the insured or insurer, the earned premium will be computed on a pro-rata basis. In the event of policy cancellation, the returned premium amount will be calculated on a pro-rata basis.
- F. Reinstatements** – Reinstatements, with no lapse in coverage, will be considered on a prior approval basis. The **ACORD 37, Statement of No Loss**, must be completed and received by the Company prior to any reinstatement.

II – PAYMENT OPTIONS

A. Policy Terms

12 months (Annual)

B. Billing Method Types:

- a. **EFT:** Electronic Funds Transfer offers automated withdrawals from insured's bank account.
- b. **Credit Card:** offers automated withdrawals from insured's credit card.

C. Billing Methods:

Account Bill: Multi policy account bill where we will bill all of your State Auto policies together, except for any policies that are to be paid by an escrow account (billed to a mortgage company).

- All policies will share a common deduction/withdrawal date each month, according to the payment plan selected for each policy. The deduction/withdrawal date will be determined by the policy effective date of the first policy issued for the account.

D. Billing Notifications:

Insured is notified the amount of the first deduction 14 days in advance, and thereafter, will receive notification of changes by \$1.00 or more.

E. Pay Plan Options:

- a. **Full Pay**
- b. **Monthly**
- c. **Semi-Annual** (Two Pay – available to 12 month (annual) policy terms only)

F. Billing Fees:

- a. **EFT:** \$0.00
- b. **Credit Card:** \$0.00
- c. **Full Pay:** \$0.00
- d. The required down payment premium, due at inception of policy term, must accompany the new business submission.

G. Additional Billing Fees may be assessed:

- a. **NSF** (Returned Payment/Non-sufficient Funds) Fee: \$25.00

III – BINDING AUTHORITY

A policy may be bound by the agent subject to the following:

- 1.** The required application and any supplemental documents are fully completed, signed by the Named Insured and the Agent, and electronically received by the Company within seven (7) calendar days of the requested effective date.
- 2.** The effective date will meet the following parameters from the original date quoted:
 - The quote date must be no more than 45 calendar days in advance of the effective date.
- 3.** Any necessary or supplemental documents for verification purposes must be submitted to the Company or retained in the agent's file.
- 4.** The underlying Private Passenger Auto coverage is retained and active within the agency and State Auto Insurance Companies.
- 5.** If the underlying Homeowner or Miscellaneous Lines policy is written with another carrier within the agency, the underlying carrier must have an A.M. Best rating of 'A-' or better.

IV – ELIGIBILITY

Risks eligible for our standard personal lines programs will normally be acceptable for Personal Umbrella liability coverage, but must not exceed the following driving/operator record requirements for any covered vehicles or watercrafts:

All Vehicle or Watercraft Types	Per Operator (past 35 months)	• At-Fault Accidents	Two	
		• Minor or Moderate Violations	Two	
	Per Household (past 35 months)	• At-Fault Accidents	Three	
		• Minor or Moderate Violations	Four	
		• Major Violation	None	
		• Total Incidents	Four	
	Operators with driving experience of fifty-nine (59) years or greater with more than two incidents within the last thirty-five (35) months are ineligible.			
	Additional Guidelines for Households with the following Vehicle Types:	Driving Record (past 35 months)		
Off Road Vehicles Classic/Antique Golf Carts Motorcycles	<p>Accidents (includes At-Fault above and below threshold, and Not At Fault) – No driver under age 21 is permitted an accident. Drivers age 21 and over are permitted one accident.</p> <p>Minor or Moderate Violations – No driver under age 21 is permitted to have a minor or moderate violation. Drivers age 21 and over are permitted one minor and/or moderate violations.</p> <p>Major Violations – No driver is permitted to have a major violation.</p>			
Incidents = includes at-fault accidents, not-at-fault accidents, minor, moderate and major violations				

IV – ELIGIBILITY (Cont'd)

A. Automobile Liability – Underlying Coverages

- a. Underlying liability insurance must be written with the State Auto Companies or State Auto's program written with Home State County Mutual Insurance Company, at the minimum required limits for all automobiles and self-propelled recreational vehicles owned by, leased to or furnished for the regular use of the named insured and all operators in the insured's household.
- b. An **Extended Non-Owned Coverage** endorsement must be attached to the personal auto policy to cover each operator in the household who may operate a furnished vehicle in addition to one or more owned vehicles.
- c. A **Named Non-Owner** policy must be written if the insureds do not own a car but have a car furnished for their regular use. Coverage must be provided for all operators in the household.
- d. If the underlying insurance is subject to any restriction, limitation or exclusion for any operator in the household, such a restrictive endorsement must also be attached to the Personal Umbrella policy.
- e. **Excess Uninsured/Underinsured Motorists** coverage can be purchased in conjunction with the Personal Umbrella policy if the minimum required underlying UM/UIM limit is met.

B. Personal Liability Coverage

- a. **Basic Rate-** The basic rate for personal liability includes:
 - i. First owner-occupied residences
 - ii. Sailboats and outboard watercraft under 26 feet and 75 horsepower or less
 - iii. Up to four (4) family rental units

IV – ELIGIBILITY (Cont'd)

- b. Incidental Business Exposures** – Coverage under the Personal Umbrella for additional liability exposures such as incidental offices, home day care, business pursuits, and rental or farm property may be written if the underlying liability is considered acceptable based on the personal lines guidelines.
- c. Excess Home Business Liability Coverage Endorsement- DL9933-** This endorsement provides personal liability coverage with respect to a specific business conducted at or from the residence premises to the extent that such coverage is provided by underlying insurance.
 - i.** The home business must be
 - 1.** owned by the named insured or by a partnership, joint venture or other organization comprised of only the named insured and resident relatives.
 - 2.** Must be operated at or from the residence premises.
- d. Excess Home Day Care Liability Coverage Endorsement – DL9804** – This endorsement provides personal liability coverage with respect to a home day care business conducted on the residence premises to the extent that such coverage is provided by underlying insurance.
- e. Excess Business Pursuits Coverage Endorsement – DL9805-** This endorsement provides personal liability coverage with respect to business activities to the extent that such coverage is provided by underlying insurance. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.
- f. Excess Incidental Farming Personal Liability Coverage Endorsement – DL9806-** This endorsement provides personal liability coverage with respect to farming operations described in the schedule or in the declarations to the extent that such coverage is provided by underlying insurance.
- g. Excess Permitted Incidental Occupancies Liability Coverage Endorsement – DL9902-** This endorsement provides personal liability coverage with respect to a permitted incidental occupancy to the extent that coverage is provided by underlying insurance.

IV – ELIGIBILITY (Cont'd)

- h. Loss Assessment Coverage** – Is excluded under the basic umbrella contract. Optional Loss Assessment for liability coverage can be secured by adding endorsement **PX-55**. This form provides excess loss assessment coverage above the required underlying limit of \$50,000.
- i. Assisted Living Care Liability Coverage Endorsement DL9807** – This endorsement provides excess personal liability coverage to a designated person other than the Named Insured or a resident relative who is:
- i.** Related to another insured by blood, marriage or adoption;
 - ii.** Not a member of the named insured's household; and
 - iii.** Regularly residing in an assisted living care facility.
 - 1.** An assisted living care facility is a facility that provides living services such as dining, therapy, medical supervision, housekeeping and social activities.
 - iv.** Ineligible Facilities:
 - 1.** Hospices;
 - 2.** Prisons; and
 - 3.** Rehabilitation Facilities
- j. Trust Endorsement DL9909** – This endorsement extends excess liability coverage to a trust or trustee (if other than the Named Insured or any resident relative) if title to vehicles, premises or other property has been transferred to a trust to the extent that coverage is provided to the trust or trustee by underlying insurance.
- i.** The grantor of the trust must be:
 - 1.** An individual or spouses; and
 - 2.** A Named Insured shown in the Declarations.
 - ii.** Corporate Entities: Liability coverage arising out of property owned by a trust in which the grantor is a corporate entity shall not be written under the Personal Umbrella Liability Policy but may be available to be written under a Commercial Liability Umbrella Policy.

IV – ELIGIBILITY (Cont'd)

- C. Watercraft Liability** – Coverage for all owned watercraft is subject to the operator record requirements outlined at the beginning of this rule.
- a.** Minimum required underlying limits and rates depend on the horsepower, length and type of watercraft. The premium on watercraft with a maximum speed of 45 mph or greater will be double the standard rate.

V – INELIGIBLE RISK

- Policies without supporting underlying State Auto private passenger auto coverage
- Any risk with a prior liability loss
- Rental Units meeting the following:
 - More than six (6) rental (family) units for the entire risk
 - More than four (4) rental (family) units at any one location
- Residence of the following types:
 - Mobile Home
 - Pole Barn Home
 - Trailer Home
 - Log Home
- Watercrafts meeting the following:
 - Bass Boat with max speed exceeding 70MPH
 - Any other watercraft with a max speed exceeding 55MPH
- Occupation of any insured is a public lecturer, news reporter, editor or publisher, labor leader, professional entertainer including athlete and radio or TV announcer, law enforcement official

VI –DISCOUNTS AND CHARGES

VI.1 Multi-Policy Discount

- A.** This discount is available for insureds who have the following eligible policies written with State Auto:
 - a.** Homeowners Policy
 - b.** Farm and Ranch Policy
 - c.** Commercial Policy
- B.** The discount can be requested and applied for new business submission and maintains on the policy as long as the companion policies remain in force.
 - a.** Mid-Term Changes: the discount may be added to existing business as of the effective date of supporting coverage or the promise of the second policy.
 - b.** Cancellation: when any of the identified policies are cancelled the discount will be adjusted or removed automatically from the remaining policy at the next renewal date.

VI – DISCOUNTS AND CHARGES

VI.2 State Auto Employee Discount

Employees, immediate family (spouse, children, parents and siblings of the employee) and those employees who are insured with State Auto and become former employees or retirees of the State Auto Insurance Companies qualify for the Employee Discount. Rewritten policies for former employees or immediate family in these situations will not be eligible for the discount. This discount is applicable to all coverages

VI – DISCOUNTS AND CHARGES

VI.3 Accident and Violation Surcharges

A. Procedure- The Accident and Violation surcharge is developed based on the total number of at-fault accidents, minor and moderate violations for all rated drivers on the underlying policy(s). Major Violations are not considered in the Accident and Violation surcharge.

B. Definitions

a. Convictions – Minor and Moderate violations shall be considered for convictions during the experience period for motor vehicle violations of the applicant or any other current resident operator. The rate impact of the violations depends on the number of violations.

- i.** Minor Violations will be considered for the conviction of speeding (other than those identified as major violations) violation and other convictions for license and registration infractions;
- ii.** Major Violations are defined as follows:
 - a.** Driving a motor vehicle in a public place while under the influence of alcohol, controlled substance, drugs or any combination of two or more of these substances; or
 - b.** Driving with an open container; or
 - c.** Homicide, assault or felony with a motor vehicle; or
 - d.** Failure to stop and report when involved in an accident; or
 - e.** Criminally negligent operation of a motor vehicle; or
 - f.** Involuntary manslaughter; or
 - g.** Hit and run; or
 - h.** Refusal to submit to the taking of a specimen of the person's breath or blood for analysis; or
 - i.** Driving while license suspended; or
 - j.** Driving without a valid driver's or operator's license in force (no point will be charged for a conviction of failure to have a motorcycle operator's endorsement provided the operator has an otherwise valid driver's or operator's license)
- iii.** Moderate Violation will be assigned for other moving violations not classified as a Major or Minor violation.

VI – DISCOUNTS AND CHARGES

VI.3 Accident and Violation Surcharges (Cont'd)

b. Accidents –Each at-fault accident that occurred during the experience period involving the applicant or any current resident operator, while operating an auto will be considered in determining the total number of accidents. The rate impact varies depending the number of accidents

i. Accidents will be considered for each at-fault auto accident that results in:

- 1.** Bodily Injury or Death; or
- 2.** Total damage of all property including his or her own in excess of \$1,000 if not covered by insurance or when payment in excess of \$1,000 is made by the insurer

Exceptions to Accident Surcharges:

- a.** Auto lawfully parked (if the parked vehicle rolls from the parked position, then any such accident is charged to the person who parked the auto);
- b.** The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has a judgement against such person;
- c.** Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident;
- d.** Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident;
- e.** Auto operated by the applicant or any resident operator is struck by a “hit-and-run” vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator;

VI – DISCOUNTS AND CHARGES

VI.3 Accident and Violation Surcharges (Cont'd)

- f.** Accident involving damage by contact with animals or fowl;
 - g.** Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects;
 - h.** Accidents occurring when using auto in response to an emergency if the operator of the auto at the time of the accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency
 - i.** The applicant owner or other resident operator receives payment under Personal Injury Protection Coverage where such individual is not at fault.
- c. Refund of Surcharged Premium** – if an accident has been surcharged and it is later determined that the accident falls under one of the exceptions in this rule; the company shall refund to the insured the increased portion of the premium generated by the accident.
- d. Experience Period** – The experience period shall be the thirty-five (35) months prior to the effective date of the policy for both new and renewal policies

C. Administration of Accident and Violation Surcharges

a. New Business

- i.** Initial information necessary to assign the proper driving record surcharges shall be obtained from an application signed personally by the applicant.
- ii.** The signature of the applicant on all applications received from an agent shall be certified by such agent.
- iii.** CLUE reports and Motor Vehicle records

b. Renewal Business

– Information necessary to assign proper renewal driving record surcharges shall be determined from any one or combination of the following:

- i.** Company's own records; or
- ii.** Motor Vehicle Records; or
- iii.** An application signed by the applicant and producer.

VI – DISCOUNTS AND CHARGES

VI.3 Accident and Violation Surcharges (Cont'd)

- c.** When multiple charges result from the same occurrence, apply only the highest rated charge.
- d.** Violation and Accidents points will not be assigned for operators that are listed but not rated or excluded.

VI – DISCOUNTS AND CHARGES

VI.4 Financial Stability Rating

- The financial stability rating is based on the insurance score of the insured and is applicable to all coverages.

VII – MINIMUM REQUIRED LIMITS

AUTOMOBILE LIABILITY	\$300,000 Combined Single Limit or \$250,000/\$500,000 Bodily Injury and \$100,000 Property Damage
AUTOMOBILE LIABILITY Youthful Operators (under age 25)	\$500,000 Combined Single Limit or \$500,000/\$500,000 Bodily Injury and \$100,000 Property Damage
UNINSURED/UNDERINSURED MOTORISTS	Must be equal to the minimum underlying auto liability limits if excess UM/UIM coverage is requested.
PERSONAL LIABILITY (includes BI, PD and Personal Injury)	\$300,000 Combined Single Limit
LOSS ASSESSMENT COVERAGE	\$50,000 Combined Single Limit
ASSISTED LIVING CARE LIABILITY	\$500,000 Combined Single Limit
BUSINESS PURSUITS	\$300,000 Combined Single Limit
HOME DAY CARE	\$300,000 Combined Single Limit
OFFICE OR BUSINESS PROPERTY	\$300,000 Combined Single Limit
FARMOWNERS	\$300,000 Combined Single Limit
WATERCRAFT Less than or equal to 350 horsepower	\$300,000 Combined Single Limit
Over 350 horsepower	\$500,000 Combined Single Limit
Personal Watercraft	\$500,000 Combined Single Limit

VIII – FORMS AND ENDORSEMENTS

FORM	EDITION	TITLE
MANDATORY FORMS		
AU303	01 13	Notices of the Policies and Practices for the Disclosure of Nonpublic Personal Information
DECOV-PX	01 16	Declarations Page
DL9801	02 15	Personal Umbrella Liability Policy
DL9838	07 15	Personal Umbrella Liability Policy Amendment of Policy Provisions - Texas
PX1	01 16	The Personal Umbrella Liability Policy (Cover Page)
PX1B	01 16	Your Umbrella Policy Quick Reference Guide
PX42TX	10 06	Endorsement Pollution Exclusion - Texas
PX52	08 16	Endorsement - Required Underlying Insurance
PX2073	02 15	Amendment of Cancellation Provisions
OPTIONAL COVERAGES		
DL9804	02 15	Personal Umbrella Liability Excess Home Day Care Liability Coverage Endorsement
DL9805	02 15	Personal Umbrella Liability Policy Excess Business Pursuits Coverage Endorsement
DL9806	02 15	Personal Umbrella Liability Policy Excess Incidental Farming Personal Liability Coverage Endorsement
DL9807	02 15	Personal Umbrella Liability Policy Assisted Living Care Liability Coverage Endorsement
DL9909	02 15	Personal Umbrella Liability Policy Trust Endorsement
DL9902	02 15	Personal Umbrella Liability Policy Excess Permitted Incidental Occupancies Liability Coverage Endorsement
DL9933	09 07	Personal Umbrella Liability Policy Excess Home Business Liability Coverage Endorsement- Texas
PX13	01 07	Endorsement Uninsured / Underinsured Motorist Coverage
PX55	10 00	Personal Umbrella Loss Assessment Coverage
EXCLUSIONS		
DL9813	02 15	Personal Umbrella Liability Policy Exclusion- Designated Auto Endorsement
DL9814	02 15	Personal Umbrella Liability Policy Exclusion – Designated Recreational Vehicle Endorsement
DL9815	02 15	Personal Umbrella Liability Policy Designated Watercraft Exclusion
DL9816	02 15	Exclusion - All Hazards In Connection With Designated Premises Endorsement
DL9824	02 15	Personal Umbrella Liability Policy Exclusion- Motorcycle or Moped Endorsement

VIII – FORMS AND ENDORSEMENTS

DL9825	02 15	Personal Umbrella Liability Policy Exclusion - Watercraft Endorsement
DL9826	02 15	Personal Umbrella Liability Policy Exclusion - Recreational Motor Vehicle Endorsement
DL9830	02 15	Personal Umbrella Liability Policy Exclusion- Motor Home Endorsement
DL9903	02 15	Personal Umbrella Liability Policy Canine Liability Exclusion Endorsement
PX7	02 15	Employer's Liability Exclusion Endorsement
PX10	01 16	Excluding Coverage to Certain Person or Persons
PX37	01 16	Watercraft Exclusion - Designated Operator
PX2032	06 04	Excluding Coverage For Non-owned Autos Used in Business
PX2036	02 15	Personal Umbrella Liability Policy Exclusion- Specified Business Exclusion
MISCELLANEOUS FORMS		
ACORD35	03 16	Cancellation Request/Policy Release
ACORD37	01 08	Statement of No Loss
ACORD851TX	06 10	Texas Personal Lines Supplement – Use of Credit Information Disclosure
ACORD852TX	06 10	Texas Personal Lines Supplement – Use of Credit information Disclosure- (Spanish Version)
AU1731	03 12	Use of Credit Information Disclosure
APP-PX	01 16	Personal Umbrella Application
DLC001	12 06	Certificate of Personal Umbrella Liability Insurance- Trust
ILN001	09 03	Fraud Statement
ML1666	01 16	State Auto Insurance Group
ML2708	04 11	Important Notice – Pollution / Lead