

PERSONAL LIABILITY UMBRELLA POLICY

THIS POLICY IS NON-ASSESSABLE
AMERICAN FAMILY MUTUAL INSURANCE COMPANY
6000 AMERICAN PKWY
MADISON, WISCONSIN
 A MUTUAL INSURANCE COMPANY

READ YOUR POLICY CAREFULLY

This policy is a legal contract between you (the policyholder) and the American Family Mutual Insurance Company. This cover sheet provides only a brief outline of some important features in your policy. The policy itself sets forth, in detail, the rights and obligations of you and our company. **It is important that you read your policy carefully.**

YOUR PERSONAL LIABILITY UMBRELLA POLICY QUICK REFERENCE

Named Insured & Mailing Address
 Policy Number
 Policy Period
 Policy Limits • See Declarations
 Self Insured Retention
 Schedule of Underlying Insurance

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EXHIBIT

LO81

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INSURING AGREEMENT

We will provide the insurance described in this policy in return for **your** premium payment and compliance with all applicable policy provisions.

DEFINITIONS

When the following words in this policy have defined meanings, they will be printed in bold type.

1. **Bodily Injury** means bodily harm, sickness or disease. It includes required care, loss of services and resulting death. **Bodily injury** does not include:
 - a. any of the following which are communicable: disease, bacteria, parasite, virus or other organism which are transmitted by any **insured** to any other person;
 - b. the exposure to any such communicable disease, bacteria, parasite, virus or other organism; or
 - c. emotional or mental distress, mental anguish, mental injury, or any similar injury unless it arises out of actual bodily harm to a person.
2. **Business** means any profit motivated full or part-time employment, trade, profession or occupation, except **farming/ranching**, and including the use of any part of any premises for such purposes. This also includes child day care services provided in **your** home for three days or more in any month to a person or persons, other than **insureds** and **relatives**, for which an **insured** receives some monetary or other compensation for such services.
3. **Business Property** means all premises, other than the **residence premises**, kept or used for **business** purposes.
4. **Car** means the following kinds of land motor vehicles designed for travel on public roads or subject to motor vehicle registration:
 - a. Private passenger auto or station wagon;
 - b. Motorcycle or moped when licensed for road use;
 - c. Utility vehicle of the pickup, van, sedan delivery or panel truck type, with a rated load capacity of 2000 pounds or less unless used in the **insured's farming/ranching** operation;
 - d. Truck used for **farming/ranching** purposes;
 - e. Golf cart when licensed for road use;
 - f. Motor home, but not for **business** use;
 - g. Trailer designed for use with vehicles described above, but not for **business** use.

But **car** does not include any of the following general types of mobile equipment, including attached machinery and equipment:

 - a. Crane, well driller, road grader and other similar road machinery;
 - b. **Recreational motor vehicle**; or
 - c. crawler tractor, farm tractor or motorized farm implement.
5. **Domestic Employee** means a person employed by an **insured** to perform duties for the maintenance or use of the **residence premises**. This includes persons who perform domestic services elsewhere for an **insured**. This does not include **farm employees** and persons while performing duties for an **insured's business**.
6. **Farm Employee** means an employee of the **named insured** who receives remuneration for performing duties incidental to the ownership, maintenance, operations or use of the farm premises.

Farm employee does not include:

 - a. **You**;
 - b. Any **domestic employee**;
 - c. Any independent contractor or their employees;
 - d. Any person residing on the **insured premises**, even if working as an employee, who is a **relative** of any **insured** or a member of the family of any **insured**, unless specifically named in the declarations of the **underlying insurance** as a **farm employee**; or
 - e. Under an exchange of labor agreement with other farmers, any person working for the **insured** or at the **insured's** direction.
7. **Farming/ranching** means the use of land or buildings for the purpose of growing crops or keeping animals. This includes the operation of roadside stands for the sale of an **insured's** farm

products. Gardening for the personal use of an **insured** or keeping animals as pets is not **farming/ranching**.

8. **Injury** means **bodily injury**, **personal injury** or **property damage**.
9. **Insured** means:
 - a. The **named insured**;
 - b. **Your relatives**;
 - c. With respect to animals:
 - (1) Owned by any person in 9a or 9b, coverage applies to any person or organization legally responsible for that animal; or
 - (2) Not owned by any person in 9a or 9b, coverage applies only while an **insured** or **relative** has use, custody or possession of such animal with the owner's permission;

A person or organization using or having custody of any such animals in the course of any **business** or without **your** specific permission is not an **insured**;
 - d. With respect to a **car**, **recreational motor vehicle** or watercraft, owned or leased by **you**, **insured** means:
 - (1) Any person using such a vehicle or watercraft; or
 - (2) Any person or organization legally responsible for the acts or omissions of a person for whom coverage is afforded under this policy while that person is using any such vehicles or watercraft;

A person or organization using or having custody of any such vehicles or watercraft in the course of any **business** or without **your** specific permission or who exceeds the scope of **your** permission is not an **insured**;
 - e. With respect to the use of a **car** not owned by **you** or **relatives** which is furnished or available for **your** regular use, **you** and **your relatives** are an **insured** only when **you** and **your relatives** are insured for the use of that **car** under one or more **underlying insurance** policies for not less than the required **car liability underlying insurance limit** shown in the declarations of this policy;
 - f. With respect to the use of a **car** not owned by **you** or **relatives** which is not furnished or available for **your** regular use, **insured** means **you** and **your relatives** so long as the actual use of such car is:
 - (1) with the owner's permission or reasonably believed to be with the owner's permission; and
 - (2) within the scope of that permission.

However, a **relative** who owns his/her own **car** is not an **insured**.
 - g. With respect to a **car**, **recreational motor vehicle** or watercraft, owned or leased by any **relative**, in the care of the **relative** or furnished or available for regular use by that **relative**, **you** and **your relatives** are an **insured** only when this policy is so endorsed to make this **relative** an **insured** for the use of that vehicle or watercraft. The **relative** must be insured for the use of that vehicle or watercraft under one or more **underlying insurance** policies for not less than the required liability **underlying insurance limit** shown on the special coverage endorsement purchased with this policy.

Insured does not include:

 - a. The owners (and their agents and employees) of a **car**, motorcycle, **recreational motor vehicle** or watercraft loaned to, leased to, or rented by an **insured** or on an **insured's** behalf;
 - b. The owners (and their agents and employees) of sales agencies, rental agencies, repair shops, service stations, storage garages or public parking lots;
 - c. The owners (and their agents and employees) of shipyards, boat repair yards, marinas, yacht clubs, boat sales agencies, boat rental agencies, boat service stations or

- d. chartering services;
- d. The lessee of such vehicles or watercraft owned by an **insured**;
- e. The United States of America or its agencies; or
- f. Any person for **injury** due to that person's operation of a vehicle as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.
10. **Insured Premises** means **your residence premises** and also includes:
- Other **premises** listed in the Schedule of **underlying insurance**;
 - The part of any non-farm one to four family residential premises **you** acquire for **your** occupancy during the policy period if **we** are notified within 30 days following the date **you** acquired such premises;
 - The part of any farm or residential premises **you** use, rent, lease or purchase during the policy period if **we** are notified within thirty (30) days following the date that **you** acquired such premises;
 - Vacant land (other than farm land) owned by or rented to an **insured**. This includes land on which a one or two family dwelling is being built for the personal use of an **insured**;
 - Individual or family cemetery lots and burial vaults;
 - The part of any premises not owned by an **insured**, while an **insured** is temporarily residing there;
 - Any non-farm premises **you** use in connection with the described location;
 - Approaches and access ways immediately adjoining the **insured premises**; and
 - Any other premises which an **insured** may occasionally rent for other than **business** purposes.
11. **Limit** means the limit of liability that applies for the coverage.
12. **Named Insured** means the person shown in the declarations and his/her spouse. The spouse must be a resident of the same household.
13. **Occurrence** means:
- Under Personal Liability Coverage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in **personal injury** and/or **property damage**;
 - Under Loss Assessment Coverage, **occurrence** also means, an act of a director, officer or trustee of a corporation or association of property owners, in the capacity as a director, officer or trustee, committed during the policy period, which results in liability; provided the director, officer or trustee:
 - Is elected by the members of a corporation or association of property owners; and
 - Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
14. **Personal Injury** means:
- Bodily injury**;
 - False arrest, detention or imprisonment;
 - Malicious prosecution;
- d. Libel, slander, humiliation or defamation of character;
- e. Invasion of privacy, wrongful eviction or wrongful entry.
15. **Primary Limit** means:
- If the loss is covered by **underlying insurance** listed in the declarations, the total of:
 - The applicable **limits** of that insurance; and
 - The amount recoverable under any other insurance available to the **insured**.
 - If the loss is not covered by **underlying insurance** listed in the declarations, the greater of:
 - The amount recoverable under any other insurance available to the **insured**; or
 - The Self Insured Retention listed in the declarations.
16. **Property Damage** means:
- Physical harm to tangible property, including all resulting loss of use of that property; or
 - Loss of use of tangible property that is not physically injured.
- Property damage** that is loss of use of tangible property that is not physically injured will be deemed to occur at the same time of the **occurrence** that caused it.
17. **Recreational Motor Vehicle** means the following:
- All-terrain vehicle;
 - Dune buggy;
 - Golf cart when not licensed for road use;
 - Snowmobile;
 - Any motorized land conveyance which is:
 - Designed principally for recreational use off public roads; and
 - Not subject to motor vehicle registration.
18. **Relative** means a resident of **your** household who is:
- Related to **you** by blood, marriage or adoption, including **your** ward or foster child;
 - Any other person under the age of 21 who is in **your** care or the care of **your** resident **relative**.
19. **Residence Premises** means:
- For a condominium or cooperative unit-owner: The unit where **you** reside. The unit includes those other separate parts used solely by **your** household.
 - For all others: Any of the following premises where **you** reside.
 - The one, two, three or four family non-farm dwelling, related other structures and grounds where **you** reside in at least one of the family units;
 - The one or two family farm dwelling where **you** reside; or
 - That part of any other building where **you** reside.
20. **Underlying Insurance** means any policy providing the **insured** with initial or primary liability insurance covering one or more of the types of liability listed in the Schedule of **underlying insurance** in the declarations.
21. **We, us** and **our** refer to the American Family Mutual Insurance Company.
22. **You** and **your** refer to the **named insured** shown in the declarations. These words also refer to **your** spouse if a resident of **your** household.

COVERAGES

PERSONAL LIABILITY COVERAGE

We will pay, up to **our limit**, compensatory damages for which an **insured** becomes legally liable for **injury** caused by an **occurrence** covered by this policy. This coverage applies only to damages in excess of the **primary limit**.

DEFENSE PROVISION

If a suit is brought against an **insured** for damages because of **injury** caused by an **occurrence** to which this policy applies, **we** will provide a defense at **our** expense by counsel of **our** choice.

HOWEVER, **WE** ARE NOT OBLIGATED TO DEFEND IF:

- THE **OCURRENCE** IS COVERED BY OTHER INSURANCE AVAILABLE TO AN **INSURED**; OR
- THERE IS NO APPLICABLE **UNDERLYING INSURANCE** IN EFFECT AT THE TIME OF THE **OCURRENCE** AND THE AMOUNT OF DAMAGES CLAIMED OR INCURRED IS LESS THAN THE APPLICABLE **PRIMARY LIMIT** SHOWN IN THE DECLARATIONS OF THIS POLICY.

We may join, at **our** expense, with the **insured** or any insurer providing **underlying insurance** in the investigation, defense or settlement of any claim or suit which **we** believe may require payment under this policy.

However, **we** will not contribute to the costs and expenses incurred by an insurer providing **underlying insurance**.

OUR DUTY TO DEFEND ENDS WHEN THE AMOUNT WE HAVE OFFERED OR PAID FOR DAMAGES RESULTING FROM THE OCCURRENCE EQUALS OUR LIMIT.

In any country where **we** are prevented from defending an **insured** because of laws or other reasons, **we** will pay any expense incurred with **our** written consent for the **insured's** defense.

ADDITIONAL COVERAGES

1. **Claim and Defense Expenses.** **We** will pay the expenses described below for a claim or suit **we** are obligated to defend:
 - a. All expenses **we** incur and costs taxed against an **insured**.
 - b. Premiums on required bonds, but not for bond amounts more than **our limit**. **We** need not apply for or furnish any bond.
 - c. Reasonable expenses (other than loss of earnings) an **insured** incurs at **our** request.
 - d. An **insured's** loss of earnings (but not loss of other income) up to \$200 per day, to attend trials or hearings at **our** request.
 - e. Prejudgment interest awarded against an **insured** on the part of the judgment that **we** are obligated to pay. However,

we will not pay any such interest which accrues after such time that **we** make an offer to pay **our limit**.

- f. Interest accruing on **our** share of the amount of any judgment between the time the judgment is entered and the time **we** pay or tender or deposit in court that part of the judgment which does not exceed **our limit**.

This coverage is in addition to **our limit**.

2. **Loss Assessment Coverage.** **We** will cover an amount up to \$100,000 for **your** share of special loss assessments charged during the policy period and levied against **you**, as owner or tenant of a **residence premises**, by a corporation or association of property owners in accordance with the by-laws or governing rules of the association. The assessment must arise from an **occurrence** covered by this policy. This coverage applies only to assessments in excess of the **primary limit**. This coverage does not increase **our limit**.
3. **Newly Acquired Car, Recreational Motor Vehicle or Watercraft Coverage.** **We** will cover **your** newly acquired **car, recreational motor vehicle** or watercraft as follows:
 - a. When covered by American Family **underlying insurance**, when **you** notify **us** prior to the policy renewal date; or
 - b. When covered by other **underlying insurance**, when **you** notify **us** within 30 days of such acquisition.

EXCLUSIONS

This policy does not cover:

1. **Acts or Omissions.** **We** will not cover any act or omission of any **insured** as an officer or member of the board of directors of any corporation, municipality, political unit or other organization, except the acts of an unpaid volunteer director, officer or trustee of a religious, charitable or civic non-profit organization. An elected, public official shall not qualify as an unpaid volunteer director, officer or trustee.
2. **Aircraft, Vehicles, Watercraft.** **We** will not cover **injury** arising out of the ownership, entrustment, maintenance, operation, use, loading or unloading of:
 - a. Any type of aircraft, glider or balloon, and their facilities. **We** do cover model aircraft not used or designed for transporting cargo or persons;
 - b. Any **car** while used as a public or livery conveyance;
 - c. Any self-propelled land vehicle or watercraft while preparing or practicing for or taking part in any prearranged or organized racing event, speed or demolition contest or in any stunting activity. This exclusion does not apply:
 - (1) To sailboats; or
 - (2) If the **insured** has coverage under the **underlying insurance** listed in the declarations;
 - d. Any other type of motor vehicle, motorized land conveyance or trailer, except when covered by **underlying insurance** listed in the declarations;
 - e. Any **recreational motor vehicle** owned by **you**, while away from the **insured premises**, unless coverage is provided by **underlying insurance** listed in the declarations. However, coverage under this policy will be no broader than the **underlying insurance**;
 - f. Any watercraft owned by **you**, while away from the **insured premises**, unless coverage is provided by the **underlying insurance** listed in the declarations. However, coverage under this policy will be no broader than the **underlying insurance**;
 - g. An iceboat, airboat, air cushion or similar type of craft. This exclusion does not apply while such crafts are stored on the **insured premises**.
3. **Business.** **We** will not cover **business** pursuits or **business property** of an **insured** other than **farming/ranching**. However, this exclusion does not apply to:
 - a. Activities which are usual to non-**business** pursuits;
 - b. **Your** rental or holding for rental of:
 - (1) One or two family residential dwellings; or
 - (2) Condominium units; if **you** have coverage under the **underlying insurance** listed in the declarations. However, coverage under this policy will be no broader than the **underlying insurance**;
 - c. The rental or holding for rental of **your residence premises**:
 - (1) On an occasional basis if used only for dwelling purposes;
 - (2) In part, to no more than two roomers or boarders; or
 - (3) In part, as an office, school, studio or private garage;
 - d. Activities related to the incidental **business** pursuits of the **insured** for which the **insured** has coverage under the Schedule of **underlying insurance** shown in the declarations of this policy. However, coverage under this policy will be no broader than the **underlying insurance**;
 - e. The providing of child home day care service, but only when:
 - (1) An **insured** provides such service for a **relative** of an **insured**;
 - (2) A mutual exchange of services arrangement exists involving no monetary compensation; or
 - (3) The **insured** has coverage under the **underlying insurance** listed in the declarations. However, coverage under this policy will be no broader than the **underlying insurance**;
 - f. The use of a **car** for **business** purposes by an **insured**. However, **we** do not cover the carrying of persons for a fee, other than in a **car** pool arrangement.
4. **Communicable Disease.** **We** will not cover **injury** arising out of the transmission of a communicable disease by an **insured**.
5. **Contractual Liability.** **We** will not cover liability assumed by an **insured** under any contract or agreement:
 - a. Not in writing; or
 - b. For damage to property to the extent the **insured** is legally required to provide insurance for that property.
6. **Controlled Substances.** **We** will not cover **injury** arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a controlled substance(s) as defined by 21 U.S.C.A. Sections 811 and 812. Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
7. **Employees.** **We** will not cover **personal injury** to any employee (other than a **domestic employee** or **farm employee**) of an

- insured** arising out of and in the course of their employment by any **insured**.
8. **Employee Sickness.** We will not cover sickness or disease of any **farm employee** or **domestic employee**, unless claim is made or suit is brought for such sickness or disease within 36 months of the end of the policy period.
 9. **Illegal Consumption of Alcohol.** We will not cover **injury** arising out of the **insured's** knowingly permitting or failing to take action to prevent the illegal consumption of alcohol beverages by an underage person on premises owned by the **insured** or under the **insured's** control.
 10. **Intra-Insured Suits.** We will not cover **personal injury** to the **named insured** or anyone within the meaning of part a or b of the definition of **insured**.
 11. **Intentional Injury.** We will not cover **injury** caused by or at the direction of any **insured** even if the actual **injury** is different than that which was expected or intended from the standpoint of any **insured**. This exclusion does not apply to **personal injury** when **your** actions are not fraudulent, criminal or malicious.
 12. **Loss Assessments.** We will not cover loss assessments:
 - a. Charged against **you** or a corporation or association of property owners by any governmental body; or
 - b. Resulting from a deductible in the policy of insurance purchased by a corporation or association of property owners.
 13. **Loss Assessments - Personal Liability.** We will not cover under Personal Liability Coverage and Defense Provision, any loss assessments charged against **you** by a corporation or association of property owners.
 14. **Nuclear Energy.** We will not cover a nuclear energy **occurrence** for which an **insured** under this policy:
 - a. Is also an **insured** under a nuclear energy liability policy; or
 - b. Would be an **insured** under that policy but for the exhaustion of its **limit**.

A nuclear energy liability policy is one issued by:

 - a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters;
 - c. Nuclear Insurance Association of Canada;

or any of their successors.
 15. **Permission Not Granted.** We will not cover a person using a **car**, **recreational motor vehicle** or watercraft without permission as defined in the **underlying insurance** applicable to the loss.
 16. **Premises Owned, Rented or Controlled.** We will not cover any act or omission arising out of any premises owned, rented or controlled by any **insured** other than an **insured premises**. This exclusion does not apply if the **insured** has coverage under the
- underlying insurance** listed in the declarations. However, coverage under this policy will be no broader than the **underlying insurance**.
17. **Professional Liability.** We will not cover the rendering or failing to render professional services.
 18. **Property Owned or Controlled.** We will not cover **property damage** to:
 - a. Property owned by an **insured**;
 - b. Property rented to, borrowed, used or occupied by, or in the care of any **insured**; or
 - c. Property owned by a corporation or association of property owners of which the **insured** is a member.

If the **insured** has liability coverage under the **underlying insurance** listed in the declarations, parts b and c of this exclusion do not apply, but coverage under this policy will be no broader than the **underlying insurance**.
 19. **Punitive Damages.** We will not cover punitive or exemplary damages.
 20. **Sexual Abuse.** We will not cover **injury** arising out of or resulting from any:
 - a. Actual or alleged sexual molestation;
 - b. Corporal punishment; or
 - c. Physical or mental abuse of a person by an **insured**.
 21. **Uninsured/Underinsured Motorists.** We will not cover any claims which may be made under Uninsured Motorists Coverage, Underinsured Motorists Coverage or similar coverage, unless this policy is endorsed to provide such coverage.
 22. **Vicarious Parental Liability.** We will not cover **injury** arising out of any vicarious parental liability, whether or not statutorily imposed by law, for the actions of a child or minor regarding any type of conveyance excluded in Exclusion 2 above.
 23. **Violation of Law.** We will not cover **injury** arising out of violation of a penal law or ordinance by or with the knowledge or consent of an **insured** when an **insured** is convicted of such violation.
 24. **War.** We will not cover or defend any **occurrence** due to:
 - a. War, including undeclared war;
 - b. Civil war, insurrection, rebellion or revolution; or
 - c. Warlike act by a military force or military personnel, destruction or seizure or use for a military purpose; and including any consequence of any of these.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
 25. **Workers Compensation.** We will not cover any obligation of the **insured** under a workers compensation, disability benefits, unemployment compensation law or any other similar law.

CONDITIONS

1. **Limit of Liability.** Our total liability under this policy for all damages and loss assessments resulting from any one **occurrence** will not be more than the **limit** shown in the declarations of this policy. **Our limit** is in excess of **your primary limit**. This **limit** is the same regardless of the number of **insureds**, claims made or suits brought, loss assessments, persons injured, vehicles or watercraft to which this policy applies, vehicles or watercraft involved in an accident, or exposures or premiums shown in the declarations.

The following are considered to be the result of one **occurrence**:

 - a. All **injuries** and loss assessments resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions; and
 - b. All loss assessments resulting from an act involving more than one director, officer and/or trustee, and all loss assessments resulting from a series of related acts.
2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition will not increase **our limit** for any one **occurrence**.
3. **What Must be Done in Case of Loss.** In the event of an accident or **occurrence** which this insurance may cover, **you** must:
 - a. Give prompt notice to **us** or **our** agent, including:
 - (1) The identity of the policy and **insured**;
 - (2) The time, place and circumstances of the accident or **occurrence**;
 - (3) Names and addresses of any claimants and witnesses;
 - (4) Submit to recorded or written statements, as often as **we** may reasonably request; and
 - (5) Submit to examinations under oath, while not in the presence of any other **named insured**, and sign the same;
 - b. Promptly forward to **us** any notice, demand and legal paper relating to the accident or **occurrence**;
 - c. At **our** request, assist **us** in:
 - (1) Making settlement;
 - (2) Enforcing any right of contribution or indemnity against any person or organization who may be liable to any **insured**; and
 - (3) Any matter relating to a claim or suit.
4. **Payment of Loss.** With **our** written consent **you** may pay the claimant to effect settlement. Upon submission of acceptable proof, **we** will pay **you** for that part of such payment which exceeds the **primary limit**. Or if **you** wish, **we** will pay the claimant directly.
5. **Suit Against Us.** No legal action can be brought against **us**:

- a. Unless there has been full compliance with all the terms of this policy; and
 - b. Until the obligation of the **insured** has been determined by final judgment or by agreement signed by **us**.
- No person or organization has the right to join **us** as a party to any legal action against an **insured**.
- 6. **Bankruptcy.** Bankruptcy or insolvency of an **insured** will neither:
 - a. Relieve **us** of **our** obligations under this policy; nor
 - b. Operate to cause this policy to become primary in the event the **insured** is unable to satisfy the applicable deductible amount shown in the declarations either because of insufficient **underlying insurance** or insufficient personal assets.
 - 7. **Bankruptcy of Underlying Insurer.** In the event of bankruptcy or insolvency of any underlying insurer, the insurance afforded

- by this policy will not replace such **underlying insurance**, but will apply as if the **underlying insurance** was valid and collectible.
- 8. **Other Insurance.** The insurance afforded by this policy is excess over any other insurance available to an **insured**, except insurance written specifically as an umbrella or excess liability insurance policy. If any other specifically written umbrella or excess liability insurance policy applies, **we** will contribute on a pro rata basis.
- 9. **Required Underlying Insurance Limits - Underlying Exposures.**
 - a. An **Insured** must maintain liability coverage with at least the following **limits** during the term of this policy, if that person has any of the liability exposures listed below.

Required Underlying Insurance Limits - Underlying Exposures

Types of Liability Exposures	Minimum Required Underlying Limits
Car/Motorcycle	\$100,000 Per Person \$300,000 Per Occurrence \$100,000 Property Damage or \$300,000 Per Occurrence (Single Limit Policy)
Primary/Home Residence (i.e. Homeowners)	\$100,000 Per Occurrence
Additional/Seasonal Residence (owner occupied)	\$100,000 Per Occurrence
Recreational Motor Vehicle	\$100,000 Per Person \$300,000 Per Occurrence \$100,000 Property Damage or \$300,000 Per Occurrence (Single Limit Policy)
Watercraft - under 26 feet and less than 250 H.P.	\$100,000 Per Occurrence
Watercraft - 26 feet and over or 250 H.P. and over	\$300,000 Per Occurrence
Rental Dwelling (1 or 2 family only, when coverage is extended from a Home Residence Policy)	\$100,000 Per Occurrence
Rental Dwelling (1 or 2 family only, when coverage is provided by a Business Policy)	\$300,000 Per Occurrence
Incidental Office or Business Pursuits	\$300,000 Per Occurrence
Professional Nurses and Medical and Dental Technicians	\$300,000 Per Occurrence
Farm/Ranch	\$300,000 Per Occurrence

- b. Such exposures must be declared on the application or **you** must notify **us** within 30 days, if they arise during a policy term. If you obtain a newly acquired **car, recreational motor vehicle** or watercraft, **you** must notify **us** as indicated under item 3 of the Additional Coverages on page 4.
- c. If any **insured** fails to maintain this required **underlying insurance**:
 - (1) There will be no coverage or defense under this policy until the damages exceed the minimum required **underlying insurance limit** or the self insured retention required for the exposure; and
 - (2) Our **limit** will be the same as if the **insured** had met this **underlying insurance** requirement.

The minimum required **underlying insurance limit** shown above will apply even though the insurer providing **underlying insurance** is or becomes bankrupt or insolvent.
- 10. **Self Insured Retention.** A self insured retention will apply to each **occurrence** which:
 - a. Is covered by this policy; and
 - b. Is not covered by **underlying insurance** despite the fact that:
 - (1) The **occurrence** arises out of an exposure, represented on the declarations, for which the **insured** has an **underlying insurance** policy with **limits** at least equal to the applicable required **underlying insurance limits** shown above; and

- (2) The **insured** has complied with all applicable provisions of the **underlying insurance** policy.
- The amount of this self insured retention will be:
 - a. \$1000 per **occurrence** for a loss due to **farming/ranching** operations; and
 - b. \$250 per **occurrence** for all other losses.
- 11. **Policy Period - Renewal of Coverage.** Insurance begins and ends at 12:01 A. M. Standard Time at the location of the property described and on the dates shown in the declarations. This policy may be continued for successive policy periods by payment of the required premium on or before the effective date of each renewal period. If the premium is not paid when due, this policy expires at the end of the last policy period for which the premium was paid. The premium for each policy period will be based on **our** current manuals. If this policy form or any endorsement attached is revised, **we** may substitute or add, at any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with **our** manual rules in effect at the time.
- 12. **Concealment or Fraud.** This entire policy is void if, before or after a loss, any **insured** has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements; relating to this insurance.
- 13. **Liberalization Clause.** Forms or endorsements may be revised during the policy period. If **we** adopt an endorsement which would broaden the coverage under this policy without additional

premium during the policy period, the broadened coverage will immediately apply to this policy.

14. **Premiums.** The first **named insured** shown in the declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums **we** pay.
15. **Waiver or Change of Policy Provisions.** This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change.
16. **Cancellation. Refer to the state Amendatory Personal Liability Endorsement for the cancellation provisions.**
17. **Non-Renewal. Refer to the state Amendatory Personal Liability Umbrella Endorsement for the non-renewal provisions.**
18. **Transfer of Interest.** **Your** rights and duties under this policy may not be assigned without **our** written consent.
19. **Subrogation - Our Right to Recover Payment.** In the event **we** make a payment under this policy, **we** are entitled to exercise the **insured's** rights of recovery against any person liable for the loss. The **insured** must do nothing after a loss to prejudice those rights. Any recovery will be applied in the following order:
 - a. To any person who may have paid for liability in excess of **our** limit;
 - b. To **us** up to the amount **we** paid under this policy;
 - c. To any other person to the extent that the person is entitled to claim the remaining amount, if any.

Reasonable expenses incurred in the exercise of rights of recovery will be shared among all interests on a pro rata basis according to their respective losses.
20. **Cooperation.** **You** must cooperate with **us** in performing all acts required by this policy.

21. **Appeals.** If **you** or **your** underlying insurer elects not to appeal a judgment in excess of **your primary limit**, **we** may choose to make the appeal. Such an appeal will be at **our** expense. If **we** make the appeal, **we** will be responsible for;
 - a. **Our limit** above the **primary limit**; and
 - b. The additional cost and interest incurred during the appeal. **We** will not pay more than the **limit** shown in the declarations for any one **occurrence**.
22. **Assignment.** Assignment of this policy will not be valid unless **we** give **our** written consent. If **you** die, this policy applies:
 - a. To **your** legal representative, as **named insured**, but only while acting as such; and
 - b. To the person having proper temporary custody of **your** property, as an **insured**, until a legal representative is named; and
 - c. To any other person who is an **insured** at the time of **your** death, and continues to reside on the **insured premises**.
23. **Conformity to Statute.** If any part of the policy (including endorsements which modify the policy) is in conflict with a statute in **your** state, **we** agree to alter that part of **our** policy and make it conform with the statute. However, all other parts of this policy will remain in force and unaltered.
24. **Territory.** Coverage applies to an **occurrence** which takes place anywhere in the world.
25. **Membership, Voting, Annual Meeting and Participation.** **You** are a member of the American Family Mutual Insurance Company of Madison, Wisconsin, and are entitled to one vote either in person or by proxy at its meetings. The Annual Meetings are held at its Home Office in Madison, Wisconsin, on the first Tuesday of March at 2:00 P. M. Notice printed in this policy will be **your** notification of the time and place. If any dividends are distributed, **you** will share in them according to law and under conditions set by the Board of Directors.
26. **Policy Non-Assessable.** This policy is non-assessable.

This policy is signed at Madison, Wisconsin, on **our** behalf by **our** President and Secretary. If required by statute, it is countersigned on the declarations page by **our** authorized representative.


President


Secretary

This is not a complete and valid contract without an accompanying declarations page.

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.

AMENDATORY ENDORSEMENT

A. When used in the policy, the words American Family Mutual Insurance Company now means American Family Mutual Insurance Company, S.I.

B. The following replaces any Membership, Voting, Annual Meeting and Participation provisions:

1. MEMBERSHIP AND VOTING

While this policy is in force, each insured named in the Declarations is considered an owner or policyholder and a member of the American Family Insurance Mutual Holding Company (AFIMHC) of Madison, Wisconsin. As a member, you are entitled to one vote at all meetings either in person or by proxy. You can only cast one vote regardless of the number of policies or coverage you purchased. If two or more persons qualify as a member under a single policy, they are considered one member for purposes of voting. The owner of a group policy will have one vote regardless of the number of persons insured or coverage purchased. Fractional voting is not allowed. If you are a minor, any vote will be given to your parent or legal guardian.

2. ANNUAL MEETINGS

The Annual Meetings are held at the Home Office: 6000 American Parkway, Madison, Wisconsin, on the first Tuesday of March at 2:00 P.M. Central Standard Time. Notice in this policy shall be sufficient notification.

3. DIVIDENDS

If any dividends are declared, you will share in them according to law and under conditions set by the Board of Directors.

C. The following is added:

Your purchase of this policy may include non-insurance products or services which **we** make available to **you**. These products or services may be provided by an outside organization or by **us**. **We** do not warrant the merchantability, fitness, value or condition of the non-insurance products or services that are not provided by **us**.

All other terms, agreements, conditions, and provisions remain unchanged.

SOUTH DAKOTA AMENDATORY PERSONAL LIABILITY UMBRELLA ENDORSEMENT

This endorsement modifies such insurance as is afforded by this policy and replaces any South Dakota Amendatory Personal Liability Umbrella Endorsement previously a part of this policy.

This policy is amended as follows:

The **INSURING AGREEMENT** is deleted and replaced by the following:

INSURING AGREEMENT

We provide this policy in return for the premium **you** pay. The Application, Declarations and all Endorsements are part of this policy. **You** represent the statements in **your** application are true. **We** provide this policy on the condition that **your** statements are true. **We** may void this policy if **you** make, with intent to deceive, any material statements that **we** rely on. **You** and all **insureds** must comply with policy terms. This includes maintaining all Required **Underlying Insurance Limits**. Any failure to comply with the policy terms by **you** or any other **insured** will affect coverage.

DEFINITIONS

The following is added:

When used in the policy, the words own, owned or ownership include the leasing of a **car, recreational motor vehicle** or watercraft, including watercraft motor, or trailer, under a written agreement of at least six months.

The following is added:

American Family Insurance Group means:

- a. American Family Mutual Insurance Company;
- b. American Standard Insurance Company of Wisconsin;
- c. American Family Insurance Company;
- d. American Standard Insurance Company of Ohio; and
- e. Any affiliates or subsidiaries of a., b., c., or d. above.

Bodily Injury is deleted and replaced by the following:

Bodily Injury means the definition in the **underlying insurance** that applies to the loss.

In the event there is no applicable **underlying insurance** that applies to the loss, **bodily injury** means physical injury, sickness, disease, or death of any person. It includes resulting loss of services, loss of consortium, and required care.

Car is deleted and replaced by the following:

Car means the following kinds of motor- or engine-propelled land vehicle designed for use on public roads or subject to registration with any government department:

- a. Any vehicle shown in the Declarations of an **American Family Insurance Group underlying insurance** policy unless **you** no longer own it;
- b. A land motor vehicle that meets all the following criteria:
 - (1) It is a private passenger auto, private passenger van, station wagon, pickup truck, or sports utility vehicle;
 - (2) It has at least four wheels;
 - (3) It has a gross vehicle weight rating of 15,000 pounds or less; and
 - (4) It is not used for the commercial pickup or delivery of goods and materials unless such use is for farming or ranching and covered by the **underlying insurance** shown in the Declarations;
- c. A moving van or moving truck with a gross vehicle weight of 15,000 pounds or less, and not used for **business** purposes;
- d. Truck used for **farming/ranching** purposes and covered by **underlying insurance**;
- e. A cycle that meets one of the following criteria:
 - (1) It is a two-wheeled motorcycle, motor bike, moped or motor scooter designed for use on public roads; or
 - (2) It is a three-wheeled motorcycle designed and licensed for use on public roads;
- f. Golf cart when licensed for use on public roads;
- g. Motor home, but not for **business** use; or
- h. Trailer designed for use with vehicles described above, but not for **business** use.

But **car** does not include any of the following general types of mobile equipment, including attached machinery and equipment:

- a. Crane, well driller, road grader and other similar road machinery;
- b. **Recreational motor vehicle**; or
- c. Crawler tractor, farm tractor or motorized farm implement.

The following is added:

Fungi. This means any type or form of fungus. This includes but is not limited to mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by **fungi**.

Occurrence is deleted and replaced by the following:

Occurrence means:

- a. Under Personal Liability Coverage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in **bodily injury** or **property damage**;
- b. Under **Personal Injury** Coverage, an offense, including a series of related offenses during the policy period which results in **personal injury**; or
- c. Under Loss Assessment Coverage, this also means, acts of a director, officer or trustee, (singularly or in concert with others) of a corporation or association of property owners, in the capacity as a director, officer or trustee, committed during the policy period, involving one or a series of related acts, which results in liability, provided the director, officer or trustee:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

Any of the above a., b., and c. that combine to cause an **injury** will be considered a single **occurrence**.

Personal Injury is deleted and replaced by the following:

Personal Injury means injury arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Libel, slander, humiliation or defamation of character; or
- d. Invasion of privacy, wrongful eviction or wrongful entry.

The following is added:

Pollutant.

- a. This means any contaminant or irritant regardless if it is:
 - (1) Man-made or natural;
 - (2) A solid, liquid, gas, or compound; or
 - (3) Thermal irritant.
- b. This includes but is not limited to:
 - (1) Lead, mercury, radon, asbestos, formaldehyde;
 - (2) Solvents, alkalis, acids;
 - (3) Gasoline, diesel, alcohol, kerosene, heating oil, or any other type of petroleum based or bio-based fuel;
 - (4) Garbage, refuse, other waste, material to be recycled;
 - (5) Electrical or magnetic emissions, electromagnetic particle or fields, whether visible or invisible, and sound or noise; or
 - (6) Any substance any governmental agency lists as a controlled chemical or hazardous substance.
- c. **Pollutant** does not mean:
 - (1) The excretion, secretion, or decomposition of any animal; or
 - (2) A contaminant or irritant from a fire loss covered by this policy.

Primary Limit is deleted and replaced by the following:

Primary Limit means:

- a. If the **occurrence** is covered by **underlying insurance** listed in the Declarations, the total of:
 - (1) The applicable **limits** of that insurance; and
 - (2) The amount recoverable under any other insurance available to the **insured**.
- b. If the **occurrence** is not covered by **underlying insurance** listed in the Declarations, the greater of:
 - (1) The amount recoverable under any other insurance available to the **insured**; or
 - (2) The Self Insured Retention listed in the Declarations.

Recreational Motor Vehicle is deleted and replaced by the following:

Recreational Motor Vehicle means a land motor vehicle of the following type:

- a. Any vehicle shown in the Declarations of an **American Family Insurance Group underlying insurance** policy as a **recreational motor vehicle** unless **you** no longer own it;
- b. A four-wheeled all terrain vehicle (ATV) or utility terrain vehicle (UTV) designed for use off public roads;
- c. Golf cart when not licensed for use on public roads;
- d. Tractor;
- e. Lawn tractor;
- f. Snowmobile;
- g. Mini-truck when not licensed for use on public roads;
- h. Two-wheeled motorcycle designed for use off public roads;
- i. Personal mobility device; or
- j. Any motorized land conveyance which is:

- (1) Designed principally for recreational use off public roads; and
- (2) Not subject to registration with any government agency.

You and **your** is deleted and replaced by the following:

You and **your** mean:

- a. The person(s) shown as the **named insured** in the Declarations.
- b. This also means a person who has entered into a domestic partnership or civil union with the **named insured** if such partnership or union:
 - (1) Is recognized under the laws of the state in which a **named insured** resides;
 - (2) Grants equivalent rights and responsibilities to its members as those granted to a spouse under state law; and
 - (3) Has been registered with or filed with the state or local government responsible for recording such partnerships or unions.

COVERAGES

PERSONAL LIABILITY COVERAGE is deleted and replaced by the following:

PERSONAL LIABILITY COVERAGE

1. **Bodily Injury or Property Damage.** We will pay, up to **our limit**, compensatory damages for which an **insured** becomes liable for **bodily injury** or **property damage** caused by an **occurrence** covered by this policy;
2. **Personal Injury.** We will pay, up to the remaining amount of the **Personal Injury** Aggregate **Limit** shown in the Declarations, compensatory damages for which an **insured** becomes legally liable for **personal injury** caused by an **occurrence** covered by this policy, and arising out of one or more offenses listed in the definition of **personal injury**; and
3. **Home Day Care.** We will pay, up to the remaining amount of the Home Day Care Aggregate **Limit** if shown in the Declarations, compensatory damages for which an **insured** becomes legally liable, caused by an **occurrence** covered by this policy, and arising out of or in connection with the providing of home day care.

The **Limit** of Liability shown in the Declarations for 1., 2., or 3. above may not be added, combined or stacked to determine the maximum **limit** available for each **occurrence**.

This coverage applies in excess of the **primary limit**.

ADDITIONAL COVERAGES

The following is added:

Pollution Cleanup and Removal. We will pay up to \$20,000 in any policy period for reasonable pollution cleanup and removal expenses incurred by an **insured** due to the accidental release or dispersal of any **pollutant** resulting from the ownership, maintenance or use of a watercraft or watercraft equipment covered by this policy. The cause of the loss and the loss itself must occur while this policy is in effect.

Pollution Cleanup and Removal does not include:

- a. Any fines, penalties, or damages, including costs that are imposed as part of a fine or penalty by a governmental authority with jurisdiction over the release or dispersal;
- b. Punitive or exemplary damages; or
- c. Penalties resulting from a criminal violation.

EXCLUSIONS

The following is added:

Aggression. We will not cover **injury** arising out of any aggressive activity, harassment, or bullying, committed by the **insured** by any means.

The following is added:

Dangerous Dog and Exotic Animal. We will not cover **injury** arising out of a dangerous dog or exotic animal.

This includes:

- a. A dangerous dog **you**, any **insured**, or member of **your** household owns or has in his or her care, custody, or control.
Dangerous dog means any dog:
 - (1) Trained or used as an attack or guard dog;
 - (2) Previously deemed to be vicious, aggressive, or dangerous as defined by state or local law, regulation, or ordinance; or
 - (3) That has a prior history of biting or vicious act that:
 - (a) Resulted in death to a person;
 - (b) Required any type of professional medical treatment; or
 - (c) Was reported to any governmental agency.

A dangerous dog does not mean a trained attack or guard dog that is currently, or was previously, owned by a governmental agency and is in **your**, any **insured's**, or any member of **your** household's care, custody, or control.

- b. An exotic animal **you**, any **insured**, or any member of **your** household owns or has in his or her care, custody, or control.

Exotic animal means a:

- (1) Non-domesticated feline;
- (2) Non-human primate;
- (3) Venomous or poisonous animal;
- (4) Caiman, alligator, or crocodile;
- (5) Bear;
- (6) Wolf;
- (7) Jackal;
- (8) Fox; or
- (9) Coyote;

including any hybrid of these animals.

Employees is deleted and replaced by the following:

Employees. We will not cover **bodily injury** or **personal injury** to any employee (other than a **domestic employee** or **farm employee**) of an **insured** arising out of and in the course of their employment by any **insured**.

The following is added:

Excretion, Secretion, or Decomposition of Any Animal. We will not cover **injury** arising out of or resulting from excretion, secretion, or decomposition of any animal.

The following is added:

Fungi or Bacteria. We will not cover **injury** arising out of or resulting from, in whole or in part, **fungi** or bacteria.

This includes any actual, alleged, or threatened:

- a. Ingestion;
- b. Inhalation;
- c. Contact with; or
- d. Exposure to;

any **fungi** or bacteria on or within any property insured by this policy, except food or beverage.

This includes any liability to abate, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of, or in any way respond to or assess the effects of **fungi** or bacteria.

Illegal Consumption of Alcohol is deleted and replaced by the following:

Alcohol Supply to Underage Persons. We will not cover **injury** arising out of any act or failure to act of any **insured** who:

- a. Knowingly permits;
 - b. Takes action to enable; or
 - c. Fails to take reasonable action to prevent;
- any person under the legal age to consume alcohol.

Intentional Injury is deleted and replaced by the following:

Expected or Intended. We will not cover **injury** arising out of an expected or intended act or omission.

- a. This includes any type of **injury** that an **insured**:
 - (1) Intends; or
 - (2) May expect to result from any intentional act or omission.
- b. This exclusion applies even if the **injury** is:
 - (1) Of a different kind, quality or degree than intended;
 - (2) To a different person or property than intended;
 - (3) The result of a willful and malicious act, no matter at whom the act was directed;
 - (4) Unexpected or unforeseen by the person injured or the owner of the property damaged, or
 - (5) Sustained regardless of whether an **insured**:
 - (a) Is under the influence of alcohol or any controlled substance;
 - (b) Lacks the mental capacity to govern his or her conduct; or
 - (c) Is deemed not to have the mental capacity to form the legal intent to commit the act or omission.
- c. This exclusion applies regardless of the theory of relief pursued, asserted, or claimed by anyone seeking compensation under this policy.

However, this exclusion does not apply when the loss arises out of the use of reasonable force by an **insured** to protect persons or property.

Intra-Insured Suits is deleted and replaced by the following:

Intra-Insured Suits. We will not cover **bodily injury** or **personal injury** to the **named insured** or anyone within the meaning of part a. or b. of the definition of **insured**.

This includes any claim made or suit brought against **you** or any **insured** to:

- a. Repay; or
 - b. Share damages with;
- another person who may be obligated to pay damages because of **bodily injury** or **personal injury** to any **insured**.

The following is added:

Oral, Electronic, or Written Publication. We will not cover **personal injury** arising out of oral, electronic, or written publication:

- a. If done by or at the direction of any **insured** with knowledge of its falsity; or
- b. Whose first publication took place before the beginning of the policy period.

The following is added:

Pollution. We will not cover **injury** arising out of or resulting from pollution.

- a. This includes any actual, alleged, or threatened:
 - (1) Discharge, dispersal, release, escape, emissions, seepage, trespass, wrongful entry, transfer, migration; or
 - (2) Ingestion, inhalation, or absorption;
 of any **pollutant** from any source.
- b. This includes any cost or expense to:
 - (1) Abate, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose; or
 - (2) In any way respond to, or assess the effects;
 of any **pollutant** from any source.

Punitive Damages is deleted and replaced by the following:

Punitive, Statutorily Imposed, or Court Ordered Damages. We will not cover punitive, statutorily imposed, or court ordered damages.

This includes any Personal Liability for:

- a. Punitive, exemplary, statutorily imposed, multiple, or aggravated damages;
- b. Fines, penalties, or court ordered restitution; or
- c. Awarded or statutorily mandated attorney fees related to a. or b. above.

Sexual Abuse is deleted and replaced by the following:

Sexual Molestation or Misconduct, Corporal Punishment, Physical or Mental Abuse. We will not cover **injury** arising out of or resulting from sexual molestation or misconduct, corporal punishment, physical or mental abuse.

- a. This includes any actual or alleged:
 - (1) Sexual molestation or misconduct by any **insured**:
 - (a) Including but not limited to personal interaction or photographic, video, or any other display of sexual activity;
 - (b) Regardless of whether or not consent is given;
 - (2) Corporal punishment; or
 - (3) Physical or mental abuse resulting from acts or omissions of any **insured**.
- b. This exclusion applies regardless of:
 - (1) Intent to cause **injury**; or
 - (2) The theory of relief pursued, asserted, or claimed by anyone seeking compensation under this policy.

Violation of Law is deleted and replaced by the following:

Violation of Law. We will not cover **injury** arising out of violation of any criminal law for which any **insured**:

- a. Is convicted or adjudicated; or
- b. Due to mental incapacity, disease, or defect is either not convicted or convicted of a lesser charge.

This exclusion applies even if an **insured** lacks the mental capacity to govern his or her conduct.

However, this exclusion does not apply to the extent that such **injury** is covered by the **underlying insurance** at the time of the **occurrence** or offense, and the **injury** is covered by valid and collectible **underlying insurance** for the full Minimum Required Underlying **Limits** shown in the Declarations.

CONDITIONS

Cancellation is deleted and replaced by the following:

Cancellation.

- a. **You** may cancel this policy at any time by returning it to **us** or advising **us** of the current or future date when **you** want to have it canceled.
- b. **We** may cancel this policy by notifying **you** in writing of the date cancellation takes effect. The delivery of this cancellation notice will be subject to the laws of the state of South Dakota. Cancellation by **us** may only be for the following reasons:
 - (1) When **you** have not paid the premium, whether payable to **us** or to **our** agent or under any finance or credit plan, **we** may cancel at any time by notifying **you** at least 20 days before the date cancellation takes effect.

- (2) When this policy has been in effect for less than 60 days and is not a renewal with **us, we** may cancel for any reason other than non-payment by notifying **you** at least 20 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us, we** may not cancel this policy except for one or more of the following reasons:
- (a) Discovery of fraud or material misrepresentation made by or with knowledge of the **named insured** in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
 - (b) Discovery of acts or omissions on the part of the **name insured** which increase any hazard insured against;
 - (c) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - (d) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
 - (e) A determination by the director of the division of insurance that the continuation of the policy would jeopardize a company's solvency or would place the insurer in violation of the insurance laws of the state of South Dakota.
 - (f) Violation or breach by the **insured** of any policy terms or conditions; or
 - (g) Such other reasons as are approved by the director of the division of insurance.
- This can be done by notifying you at least 20 days before the date cancellation takes effect.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If the return premium is not refunded with the notice of cancellation or when the policy is returned to **us, we** will refund it within a reasonable time after the date cancellation takes effect.

Limit of Liability is deleted and replaced by the following:

Limit of Liability.

- a. The **Personal Injury** Aggregate **Limit** shown in the Declarations is the most **we** will pay in any annual policy period for damages because of all **occurrences** covered by this policy arising out of a **personal injury** offense.
- b. The Home Day Care Aggregate **Limit** if shown in the Declarations is the most **we** will pay in any annual policy period for damages because of all **occurrences** covered by this policy arising out of home day care **business**. In the event that both coverages (Home Day Care and **Personal Injury**) would apply, the aggregate **limit** for Home Day Care coverage will be exhausted first and will not reduce the **limits** available under other aggregate coverages.
- c. Subject to a., and b., the **Limit** of Liability is the most **we** will pay for all damages because of **bodily injury** and **property damage**, and/or **personal injury** offenses, and/or loss assessments resulting from any one **occurrence** regardless of the number of:
 - (1) **Insureds**;
 - (2) Persons injured;
 - (3) Policies issued;
 - (4) Claims made or suits brought;
 - (5) Vehicles or watercraft to which this policy applies;
 - (6) Vehicles or watercraft involved in an accident;
 - (7) Theories of liability;
 - (8) Persons or organizations making claims or bringing suits; or
 - (9) Exposures or premiums shown in the Declarations.

Our limit is in excess of **your primary limit**.

Non-Renewal is deleted and replaced by the following:

Non-Renewal. **We** may elect not to renew this policy. **We** may do so by delivery to **you**, or mailing to **you** at **your** mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. The reasons for non-renewal and delivery of this termination notice will be subject to the laws of the state of South Dakota.

Required Underlying Insurance Limits – Underlying Exposures is deleted and replaced by the following:

Required Underlying Insurance Limits – Underlying Exposures.

- a. If an **insured** has any of the following exposures, liability coverage with at least the Minimum Required Underlying **Limits** set forth in the Declarations for the applicable Type of Liability Exposure must be maintained at all times during the term of this policy. Personal Liability Coverage must be maintained for:
 - (1) Each **car/motorcycle, recreational motor vehicle** owned by, leased to, or furnished or available for regular use by any **insured** within the definition of **insured**, part a. or b.;
 - (2) Each watercraft owned by, leased to, or furnished or available for regular use by any **insured** within the definition of **insured**, part a. or b.;
 - (3) Each primary/home residence premises **you** own, maintain, or use;
 - (4) Each additional/seasonal residence **you** own, maintain, or use;
 - (5) Each incidental office, or **business** pursuit on **your** residence/premises which is occupied by any **insured**;
 - (6) Each of **your** residential rental dwellings which are occupied by others;
 - (7) Each residence/premises **you** own, maintain, or use as a farm or ranch; and

- (8) Each heavy, extra heavy trucks or semi-tractor/trailer unit owned by, leased to, or furnished or available for regular use by any **insured** within the definition of **insured**, part a. or b.
- b. Such exposures must be declared on the application or **you** must notify **us** within 30 days, if they arise during a policy term. If **you** obtain a newly acquired **car, recreational motor vehicle** or watercraft, **you** must notify **us** as indicated under the Additional Coverages.
- c. The **insured** is required to pay:
- (1) The difference between the minimum required **underlying insurance limits**, as noted in part a. above and the amount paid for the **occurrence** by the minimum required **underlying insurance** if the required **underlying insurance**:
 - (a) Has a limitation in the amount it will pay in one year;
 - (b) Has **limits** in an amount less than the minimum required **underlying insurance limits** shown in the Declarations;
 - (c) Has **limits** in an amount shown in the Declarations as the minimum required **underlying insurance**, but it provides reduced **limits** for that **insured** seeking coverage under this policy; or
 - (d) The amount is not paid in full because the insurer providing the minimum required **underlying insurance** is or becomes insolvent.
 - (2) The minimum required **underlying insurance** shown in the Declarations:
 - (a) If the insurer providing the minimum required **underlying insurance** makes no payment because it is or becomes insolvent, and no payment is made by a state, provincial or association guarantee fund because that insurer is or becomes insolvent;
 - (b) When the **insured**:
 - I. Does not qualify as an **insured** under the required **underlying insurance**;
 - II. Qualifies as an **insured** under the required **underlying insurance**, but an exclusion or other policy provision applies that eliminates coverage under the required **underlying insurance** for that **insured**;
 - (c) When the required **underlying insurance**:
 - I. Is not in force;
 - II. Does not provide coverage because a claim is not made while that policy is in effect or within the required time period stated in that policy.

However, if the **occurrence** is covered by this policy but not covered by the **underlying insurance**, the Self Insured Retention applies.

Self Insured Retention is deleted and replaced by the following:

Self Insured Retention. A self insured retention will apply to each **occurrence** covered by this policy:

- a. For which the **insured** has maintained the coverage as indicated in Conditions, under Required **Underlying Insurance Limits - Underlying Exposures**;
- b. When the **insured** has complied with all applicable provisions of the **underlying insurance** policy; and
- c. When the **occurrence** is not covered by the **underlying insurance**.

The amount of this self insured retention will be:

- a. \$1,000 per **occurrence** for a loss due to **farming/ranching** operations; and
- b. \$250 per **occurrence** for all other losses.

Severability of Insurance is deleted and replaced by the following:

Severability. This insurance applies separately to each **insured** except with respect to the Aggregate **Limit** shown in the Declarations. Therefore, this condition will not increase the aggregate **limit** of liability for **personal injury** coverage or home day care, as provided by this policy. This condition will not increase **our** maximum **limit** for any one **occurrence**.

All other terms remain unchanged.