

Horace Mann Insurance Company  
1 Horace Mann Plaza  
Springfield, Illinois 62715

## **PERSONAL UMBRELLA LIABILITY COVERAGE Policy**

### **PLEASE READ: POLICY CHANGES DISCLOSURE**

**Newly adopted PERSONAL UMBRELLA LIABILITY COVERAGE Policy - Form PU 0001 10 11 and amendatory endorsements replace: Liability plus policy, Form CC-U00001 (7/96), Liability Plus Policy Amendatory Endorsement, Form CC-U01CA1 (1/11) and Wet Rot, Dry Rot, Bacteria, Fungi or Protists Exclusion, Form CC-U01010 (Jan. 02)**

Dear Valued Customer:

Thank you for choosing us as your insurance company for Personal Umbrella Liability Coverage protection! We, at the Horace Mann insurance companies, are excited to introduce a new Personal Umbrella Liability Coverage Policy. The new policy replaces the prior policy forms and promotes consistency with our commitment to you, our customer.

In this letter, we outline the key changes that will apply when you renew your coverage and receive the new **PERSONAL UMBRELLA LIABILITY COVERAGE Policy, Form PU 0001 10 11 along with multiple amendatory endorsements**. We made other changes to the policy, though not listed below. Many changes are made to clarify policy provisions, improve readability and improve policy organization. We hope that you find this policy easier to navigate and read. All changes in the policy will be effective upon your policy renewal.

**PLEASE READ THE NEW POLICY and your Declarations. The Declarations tells you what coverages apply and the Policy explains your coverage. Together the Policy and the Declarations explain the limits of your coverage. The policy also includes definitions, conditions, exclusions, limitations, and duties for coverage to apply.** The terms of the new **PERSONAL UMBRELLA LIABILITY COVERAGE Policy** shall govern in the event there is any discrepancy between this disclosure and the Policy.

If you have questions, please call us at the phone numbers shown on your Declarations.

**The significant changes comparing the Liability plus policy to the new PERSONAL UMBRELLA LIABILITY COVERAGE Policy are as follows:**

#### **DEFINITIONS**

Many defined terms are updated to improve clarity and overall reading ease. Also, definitions are added for "aircraft", "domestic employee", "employee", "fungi", "household member", "hovercraft", "occurrence" (replacing "loss in the expiring policy") "pollutant", "suit" and "watercraft".

The definition of "bodily injury" is revised to exclude mental or emotional injury that does not result from actual physical injury to a person.

The definition of "business" is expanded for clarity.

There is no longer a definition for "family member"; the provisions in the defined term "household member" in the new policy apply.

The definition of "insured" is expanded to include all persons granted status as an insured in "underlying insurance", but only to the extent that such status is granted in "underlying insurance".

#### **PRINCIPAL COVERAGE**

The provisions in the expiring policy's "Coverages" provisions are very similar to the provisions in the new policy's "PRINCIPAL COVERAGE" section. Substantive differences are in other sections of the policy.

## DEFENSE COVERAGE

The “DEFENSE COVERAGE” section in the new policy includes the following differences versus the “Defense and Settlement” provisions in the expiring policy. Exclusions provisions are also updated to add clarity. Substantive differences include:

- The \$250 limitation on coverage for bail bonds is eliminated.
- In the expiring policy, there is up to \$250 coverage per day if the insured is absent from work in connection with the company’s defense of a suit, subject to a maximum of \$5,000. That \$5,000 limitation is eliminated in the new policy.

## EXCLUSIONS

Exclusions in the new policy are expanded or updated to add clarity, and to clearly state when certain exclusions do not apply. Substantive differences compared to the expiring policy include:

- The “business” exclusion in the new policy is more detailed than the “business” exclusion in the expiring policy. For example, the expiring policy names child care as an exposure that is excluded. In the new policy, that exposure is excluded via the “business” exclusion.
- The expiring policy excludes all pollution coverage, but the new policy does not exclude coverage for pollutants from a “motorized vehicle” if the “occurrence” is covered by “underlying insurance”.
- Exclusions are added in the new policy for “bodily injury”, “personal injury” or “property damage” that arises out of:
  - sexual molestation; or
  - physical or mental abuse; or
  - corporal punishment; or
  - electronic aggression, including but not limited to harassment or bullying; or
  - the Telephone Consumer Protection Act of 1991 (TCPA), the CAN-Spam Act of 2003, or any other law that limits or prohibits the communicating, transmitting, sending, or distribution of material or information.
- An exclusion is added for “bodily injury” or “property damage” arising out of the use of a “watercraft” in or in the practice of any prearranged or organized racing, speed or stunt activities or contests.
- An exclusion is added so regardless of “underlying insurance”, no coverage is provided to uninsured or underinsured boaters.
- An exclusion is added for an “insured’s” vicarious liability if “bodily injury” or “property damage” arises out of the actions of a minor and the “occurrence” is not covered by “underlying insurance” except for its exhaustion of “limits”.
- An exclusion is added for “bodily injury” or “property damage” that is a result of an intentional and malicious act by or at the direction of any “insured”.

## HOW MUCH WE PAY

The new policy includes provisions if an aggregate “limit” applies in “underlying insurance”; note that it is rare for “underlying insurance” covering personal exposures to include aggregate “limit” provisions.

### EXCLUSION - ANIMAL LIABILITY ENDORSEMENT

The EXCLUSION - ANIMAL LIABILITY endorsement is added to the new policy. Note however that if “underlying insurance” provides at least \$25,000 coverage for an “occurrence”, this endorsement provides a \$25,000 sub-limit for the “occurrence”.

### SOCIAL HOST AMENDATORY ENDORSEMENT

The SOCIAL HOST AMENDATORY ENDORSEMENT is added to the new policy. Under the terms of this endorsement, coverage is excluded if an “insured” knowingly furnishes intoxicating beverages to a minor.

This disclosure describing many of the policy changes and new provisions is not your actual policy contract. The terms of the new **PERSONAL UMBRELLA LIABILITY COVERAGE Policy, Form PU 000101011 and its amendatory endorsements** shall govern in the event any discrepancy exists between this letter and the Policy.

**PLEASE READ YOUR NEW POLICY and your declarations. You are responsible to read the Policy and declarations to confirm it lists coverage limit you purchased. The policy also includes definitions, conditions, exclusions, limitations, and duties for coverage to apply.** If you have questions, please call us at the phone number shown on your Declarations.