

Woodland Mutual Insurance Company
is a township mutual insurance company
operating in accordance with MN Statutes 67A

GENERAL PROVISIONS AND UNDERWRITING GUIDELINES

1. INSURABLE PROPERTY

Woodland Mutual Insurance Company may insure dwellings, household goods, appurtenant structures, farm buildings, farm personal property, churches, church personal property, county fair buildings, community and township meeting halls and their usual contents located within the authorized operating territory. Seasonal residences, their contents and appurtenant structures may be insured for policyholders, even if located outside the authorized territory of the company, provided Woodland Mutual insures the policyholder's primary residence located within the authorized writing territory.

2. PACKAGING PARTNERS

Woodland writes new and renewal policies in partnership with North Star Mutual and Grinnell Mutual. An agent must be licensed with Woodland Mutual and the corresponding statewide packaging company to write new or renewal business.

3. POLICY TERM

Policies are written on an annual renewable term, with a new policy issued every five years.

4. COMMISSIONS

The commissions payable are those set forth in the agents' contract.

5. AGENTS' RESPONSIBILITIES

Agents' responsibilities include but are not limited to:

- submission of risks consistent with company underwriting guidelines
- timely reporting of claims to the company
- timely submissions of new applications, information requested by Woodland Mutual for renewals, and policy change requests
- submission of cancellation requests by policyholders
- any and all expenses incurred in procuring business
- Errors and Omissions Insurance

6. COMPANY RESPONSIBILITIES

Woodland Mutual's responsibilities include, but are not limited to:

- timely issuance of policies and endorsements
- timely response to and settlement of claims
- prompt payment of commissions
- notification to the agents of any changes in company policies, rates or procedures
- notification of cancellation of agency clients
- agent education on company products

7. LOSS REPORTING AND ADJUSTING (24/7)

All losses reported to the agent should be reported to the company as soon as possible. In the event a loss occurs at a time when company personnel cannot be reached and immediate attention is needed, the claim should be reported to Moe and Nevin Adjusting, Inc. at 218-727-0701. Their answering service will provide a contact number for the adjuster on call. Report the claim to the on-call adjuster and also submit the claim to the company via the Submit New Claim button on the policy screen in Navigator, noting on the claim report that it has been submitted to the on-call adjuster. The on-call adjuster will contact the insured. Our **expectation** is to have contact with the insured **the same day the Notice of Loss is received**.

8. PREMIUM PAYMENT PLANS

Billing plans available are: Annual, semiannual, quarterly, and monthly. Monthly billing is **only** available using EFT (electronic funds transfer). EFT is available for all billing plans. Agents may submit payment through the Woodland Mutual website.

Current billing fees per billing are:

	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly (EFT)</u>
Woodland/North Star	None	\$5.00	\$5.00	\$1.67
Woodland/Grinnell	None	\$3.00	\$3.00	\$1.00

All applications should be accompanied by payment. A completed EFT authorization form and voided check or savings deposit slip are required at time of application submission for all EFT bill modes. Every effort will be made to react promptly to the submission of an application. However, if a new application is rejected, or cancelled for nonpayment, earned premium in excess of the amount paid will be charged off against the agent's commission.

9. BINDING AUTHORITY

Without **home office approval**, coverage **may not be bound** on:

1. Property where the probable maximum loss exceeds \$1,250,000.
2. Applicants who have three or more losses in the past three years.
3. Applicants who have been declined or cancelled by another company.
4. Buildings containing either rigid board or sprayed on polystyrene or other cellular plastic insulations.
5. Solid fuel installations that do not meet company requirements.

The agent should personally view new risks prior to binding coverage. The completed application should indicate if coverage is bound. A binder should be issued and provided to appropriate parties according to statute.

Contact the home office to discuss risks where acceptance is uncertain.

10. REQUEST FOR CHANGE

Requests for change **are preferred to be submitted via the "Change Request" button on the policy screen in Navigator**; or can be submitted by email, fax, or regular mail.

11. TRANSFER AND ASSIGNMENTS

Transfers and assignments are not acceptable. A new application is required.

12. FIELD UNDERWRITING/LOSS CONTROL

The company promotes an active field underwriting program. The purpose of the program is to assist home office underwriting in: **1. determining** the proper classification, and **2. confirming** acceptability of the risk. The company may indicate hazards that exist that may be modified to make otherwise unacceptable property acceptable. Hazards listed (if any) do not constitute a warranty that there may not be other hazards that were not noted. The survey is made purely on a consultant basis and in no way warrants that compliance will meet OSHA or any code standards. Neither the right to make inspections, nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the insured or others to determine or warrant that such habitations, workplace, operations, machinery or equipment are safe.

13. APPLICATIONS

A fully completed application provided by Woodland Mutual must be submitted via Vector on all risks offered to the company. Supplemental applications and questionnaire sections should accompany the application.

A complete submission consists of the following items:

- Completed application submitted in Vector with appropriate sections completed (The agency holds responsibility to maintain signed copy of application)
- Replacement Cost Calculation
- Appropriate down payment if coverage is bound. Premium should not be submitted with unbound applications and the application should be clearly marked as unbound.
- EFT authorization form signed by insured(s) and voided check or savings deposit slip for policies with any EFT billing mode.

Good business practices dictate that new applications should be accompanied by a premium deposit or instructions for escrow billing. Uncollectable earned premium in excess of any deposit premium will be charged against the agent's commission.

Property cannot be field underwritten without a signed application and will be declined.

14. FIVE YEAR RENEWALS

Every five years the company will issue a complete new policy including forms. Prior to issuing the renewal policy the company will field and/or desk underwrite the risk and amend the policy according to the latest underwriting information. These changes will be communicated to the policyholder and agent prior to the renewal. Agents are strongly encouraged to review coverages with the policyholder to ensure the coverages are adequate to meet the needs and wishes of the policyholder.

15. OTHER INSURANCE

The property coverage forms used by Woodland Mutual are MAFMIC (Minnesota Association of Farm Mutual Insurance Companies) PH and TP forms. In addition homeowners policies partnered with Grinnell Mutual use ISO and Grinnell forms. These forms may not be compatible with forms used by other insurance companies. Because of this, other insurance on property insured by Woodland Mutual is not permitted, except for policies covering perils or property not covered by Woodland Mutual.

16. SOLID FUEL BURNING APPLIANCES

A solid fuel burning appliance is considered an increase in hazard and requires diligent underwriting by the agent and company. Failure to disclose a solid fuel burning appliance, whether or not currently in use, is cause for declination and is considered a material misrepresentation and may void coverage.

Stoves and furnaces

Appropriate clearances as recommended by the manufacturer or NFPA are necessary. Absent manufacturer's installation specifications, refer to the clearance requirements contained in company applications. (See below for more information.) Of equal importance is a thorough knowledge of solid fuel burning by the operator. An inexperienced or poor operator can make the most well-constructed and properly installed solid fuel burning appliance dangerous and uninsurable.

When the operator demonstrates competence with solid fuel burning, and the appliance meets or exceeds clearance requirements, consideration is given to insuring property containing UL and non-UL approved installations. The following requirements must be met in all installations:

- the stove or furnace must be connected to a masonry chimney which contains either a clay tile or stainless steel liner or a prefabricated metal chimney which meets or exceeds the UL103HT, Warnock Hersey, or similar test standard; stovepipes are acceptable only as appliance to chimney connectors and not acceptable for use as a chimney.
- the chimney must contain a clean out or inspection door;
- any unused taps must be cemented shut or closed with an insul flue tap plug;
- any wall or ceiling pass through must meet or exceed the UL103HT, Warnock Hersey or similar test standard.

Outdoor wood appliances (water jacketed)

Outdoor wood boilers should be installed as a free standing solid fuel burning device located away from any structure. The boiler should be installed on a noncombustible foundation of sufficient strength to support the weight of the boiler. The area within 6 feet of the boiler must be kept free of combustibles such as wood chips, bark and wood. Grass within a 25-foot radius of the boiler must be kept mowed.

Outdoor wood boilers were not designed to be located inside buildings. The exhaust pipes are not constructed to pass through combustible walls and ceilings. Appliances insulated with cellular spray foam are not eligible as new business. Consideration is given to insuring the property with cellular spray foam insulated boilers if the boiler itself is excluded.

Outdoor wood boilers should be installed a minimum of 50 ft. from any structure. If this requirement is met, the **solid fuel** surcharge is waived.

When the boiler is outside a structure, but closer than the recommended 50' distance an extension may be required on the exhaust stack.

If a unit is inside an insured structure the boiler must be installed to either

- A. The manufacturers recommended clearances, or if no manufacturer guidance is available:
- B. The following;
 1. a space of at least 48" between the loading door of the boiler and any combustibles.
 2. a space of at least 6" between the water jacketed sides and back of the boiler and any combustible surfaces
 3. All surfaces of the unit that are not water jacketed must be a minimum of 36" away from combustible surfaces. This space can be reduced with proper shielding installed according to the specifications found in the Woodland Mutual woodstove questionnaire.

The chimney must be either a masonry block chimney with a clay tile or stainless steel liner or a prefabricated metal chimney that meets or exceeds the UL103HT or similar test standards. Any wall or ceiling pass through must also meet or exceed the UL103HT or similar standard.

Stovepipe lengths should be kept to a minimum and the stovepipe diameter cannot be less than the diameter of the stack for the stove. Clearances from stovepipes and stove exhaust pipes to combustible surfaces must meet the requirements as contained in the Woodland applications. Stovepipes are not acceptable for exterior use.

A risk location containing a solid fuel appliance that does not meet underwriting requirements will be considered if the policy does not provide coverage to any property at risk from the appliance.

Fireplace inserts

Fireplace inserts are specifically designed to fit into pre-existing masonry fireplaces to increase output. Fireplace inserts are made from plate steel or cast iron and most have glass doors and have a fire box. To be acceptable an insert must have a secure connector between the appliance outlet and the flue liner. This will typically require a full relining of the chimney using a stainless steel liner and a manufacturer supplied flue-to-insert connection.

Solid Fuel Surcharge - A fully earned premium of \$125.00 annually is applied to all risks containing solid fuel appliance exposures, with the following exceptions:

1. Corn and/or pellet burning appliances.
2. Wood burning fireplaces without an insert.
3. Outdoor solid fuel burning appliances located over 50 ft. from any insured structure
4. Risk locations containing a solid fuel appliance, but where there is no insured property loss exposure
 - a. structure containing solid fuel burning appliance and personal property in the structure are not insured and
 - b. structure containing solid fuel burning appliance is over 50' from any insured property.

Solid fuel deductible

Policies that contain any insured solid fuel exposure are subject to a separate deductible that applies to all losses arising out of the maintenance or use of a solid fuel appliance. The deductible is the greater of the policy deductible or \$1,000. This special deductible is stated on the declarations page.

17. RATES AND PREMIUMS

The policyholder will be charged the rates and premiums in effect at the effective date of coverage. The company reserves the right to adjust or change rates at each anniversary date of a policy. In addition to rates and premiums the following charge applies:

Premium adjustment factor - (PAF) This service fee is applied annually to all policies. It is billed equally among the installment billing chosen. The PAF is currently \$50.00 effective April 1, 2013.

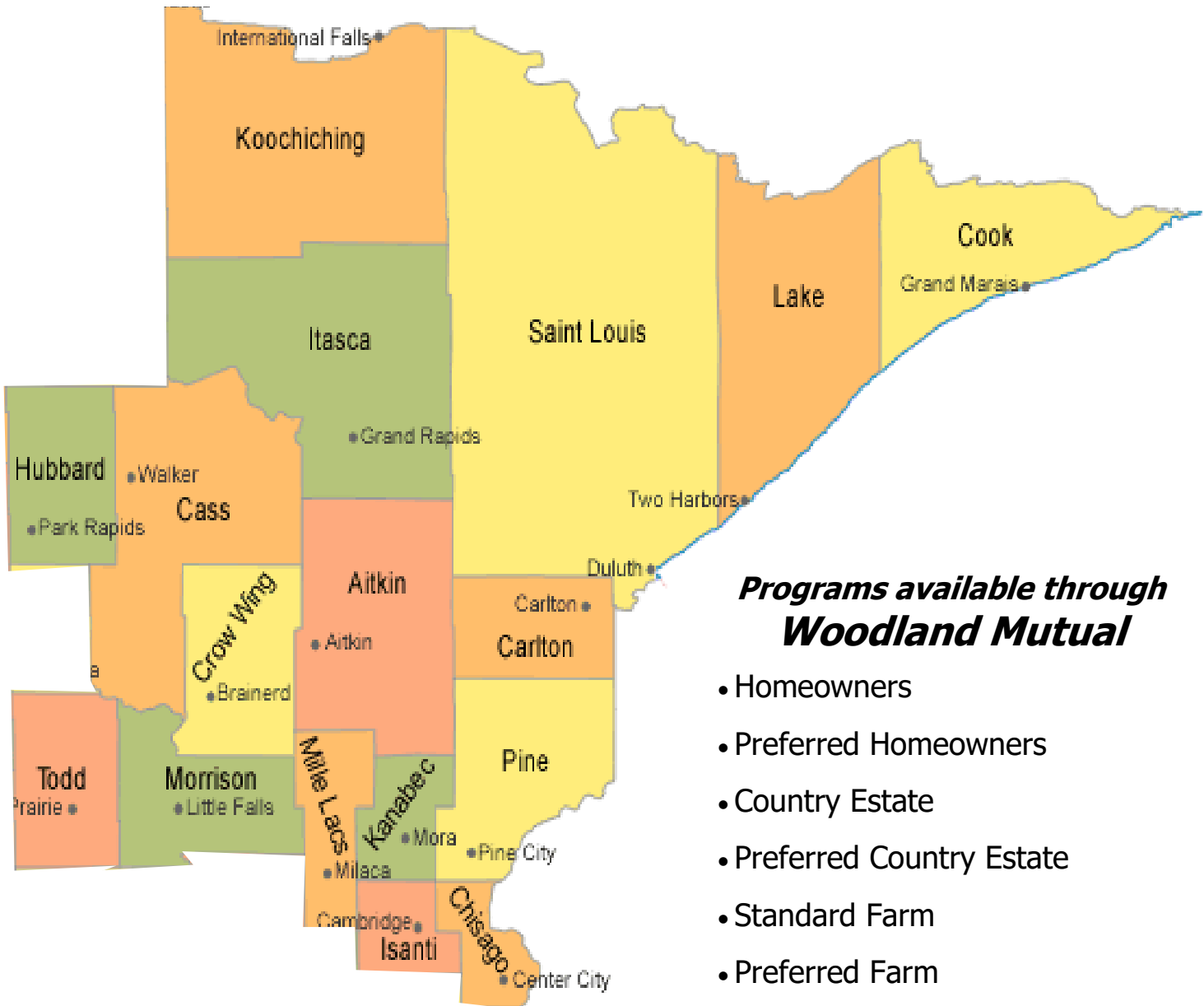
18. TERRITORY

Woodland Mutual is authorized to write in the following counties.

- Aitkin
- Carlton
- Cass
- Chisago
- Cook
- Crow Wing
- Hubbard
- Isanti
- Itasca
- Kanabec
- Koochiching
- Lake
- Mille Lacs
- Morrison
- Pine
- St Louis
- Todd
- and in the City of Duluth/Hermantown

Woodland Mutual Insurance Company

**AUTHORIZED WRITING TERRITORY EFFECTIVE
MAY 28, 2013**



Programs available through Woodland Mutual

- Homeowners
- Preferred Homeowners
- Country Estate
- Preferred Country Estate
- Standard Farm
- Preferred Farm

Secondary risks (seasonal residences) owned by an insured and located outside the authorized territory, but in Minnesota, are eligible for coverage with Woodland, provided Woodland insures the primary residence located within the authorized territory.

**Quoting available through
Navigator at: woodlandmutual.com
Woodland Mutual - 218-384-2053**