

GENERAL AGREEMENT AND APPLICATION

INSURABLE PROPERTY

Chapter 67 of the Minnesota Insurance laws governs the Sverdrup Mutual Insurance Company. Two portions of the set of laws are of primary importance.

67a.13 TYPES OF INSURANCE (PERILS) AUTHORIZED

A township mutual fire insurance company shall insure only against loss of damage by fire, lightning, explosion, flood, earthquake, theft, vandalism, collapse, upset, overturn, collision, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, breakage of glass, weight of ice, snow, or sleet, freezing, leakage of water or other substance, electrical power interruption or electrical currents artificially generated, attack by dogs or wild animals, drowning, accidental conveyances, and consequential losses as result of damage from any of the perils listed except public liability.

NOTE: The above is quoted directly from the statutes and outlines what perils we MAY insure against. The policy forms should be referred to as to what perils are actually included within a given policy. Not all policies insured would include all of the above perils.

You might also note that windstorm, hail, tornado, liability & Special form cannot be written by a township mutual. A companion carrier (Statewide Mutuals) provides these coverages.

67a.14 INSURABLE PROPERTY

Subdivision 1. KINDS OF PROPERTY. Township mutual fire insurance companies may insure: QUALIFIED PROPERTY. Qualified property means 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.

(b). Township mutual fire insurance companies may extend coverage to include an insured's SECONDARY PROPERTY if the township mutual fire insurance company covers qualified property belonging to the insured. Secondary property means any real or personal property that is not considered qualified property for a township mutual fire insurance company to cover under chapter 67a. The maximum amount of coverage that a township mutual fire insurance company may write for secondary property is 25 percent of the total limit of liability of the policy issued to an insured covering the qualified property.

OPERATING TERRITORY OF SVERDRUP MUTUAL INSURANCE COMPANY

OTTER TAIL COUNTY:

ALL OF OTTER TAIL - 62 TOWNSHIPS

WADENA COUNTY

ALL OF WADENA - 15 TOWNSHIPS

BECKER COUNTY

ALL OF BECKER - 40 TOWNSHIPS

HUBBARD COUNTY

ALL OF HUBBARD - 28 TOWNSHIPS

DOUGLAS COUNTY

ALL OF DOUGLAS - 20 TOWNSHIPS

GRANT COUNTY

ALL OF GRANT - 16 TOWNSHIPS

CASS COUNTY

1 TOWNSHIP
MCKINLEY

WILKIN COUNTY

8 TOWNSHIPS
ANDREA, FOXHOME, ATHERTON, AKRON,
PRAIRIE VIEW, MEADOWS, MANSTON, &
TANBERG

CLAY COUNTY

15 TOWNSHIPS
MOORHEAD, GLYNDON, ROVERTON,
HAWLEY, EGLON, KURTZ, ELMWOOD,
ELKTON, SKREE, PARKE, HOLY CROSS,
ALLIANCE, BARNESVILLE, HUMBOLT,
& TANSEM

BINDING AUTHORITY

The agent is authorized, subject to the rules and practices of the Company, as they are from time to time constituted, to solicit proposals and collect and receive premiums, and to bind and execute contracts for the kinds of insurance specified by the Company to the Agent. The agent shall act in fiduciary capacity with respect to call premiums collected by him/her.

DO NOT BIND:

ANY VACANT DWELLING OR OUTBUILDINGS. Vacant for purposes of binding authority means void of or absence of worthwhile contents and furnishings.

Any dwelling or other building with an UNAPPROVED CHIMNEY.

Any policy insuring OUTBUILDINGS ONLY.

Horse Boarding Stables

Any POULTRY HOUSES OR BARNs OR THE POULTRY.

Any buildings with NON-APPROVED INSULATION not properly covered.

FAIRGROUND buildings

Seasonal property or property OUTSIDE OUR USUAL insuring territory. (Refer to Insurable Property; section b. regarding secondary property of your manual).

Any insured who has MORE THAN 3 CLAIMS IN 3 YEARS.

Any insured who has a MEAN OR VICIOUS DOG (package policy).

Any insured who has POORLY MAINTAINED FENCES (Applicable if insured has livestock and is insured with package policy).

Any insured whom POORLY MAINTAINS HIS EQUIPMENT (removes guards, improper lights, no SMV signs, etc.).

Any insured whose overall premises HOUSEKEEPING IS POOR.

Any applicant who has been CANCELED OR REFUSED BY ANY PRIOR CARRIER.

Any FARM RELATED SMALL COMMERCIAL PROPERTY.

Any applicant who is engaged in CUSTOM FARMING ONLY.

Any farmer who is engaged in a non-farming activity for monetary benefit.

REMEMBER:

All new and renewal applications must be personally viewed by the agent.

The UNDERWRITING GUIDE MUST BE COMPLETED on the application and if application is made for FARM RELATED COMERCIAL PROPERTY, A SEPARATE UNDERWRITING QUESTIONNAIRE must accompany the application.

All applications must be SIGNED BY THE INSURED or the application will be returned to your office.

Endorsements for INCREASE IN COVERAGE must be signed by the insured or it will be returned to your office.

Endorsements for DECREASE IN COVERAGE must be signed by the insured or it will be returned to your office.

Each agent is responsible to write a balanced risk; a good mix of business is essential.

All locations must be listed on the application or requested by endorsement. List the primary location FIRST, where the insured resides.

INTERESTS OF MORTGAGEE/LOSS PAYEE MUST BE COVERED by indicating on the application or by endorsement the name, address, and interest of the mortgagee/loss payee. An insurance contract is an "interest" policy, covering only the interest of the named insured or his legal representative.

VACANT/UNOCCUPIED PROPERTY, RECREATIONAL PROPERTY AND SMALL FARM RELATED COMMERCIAL risks must have supporting coverage.

Any insured who WILL NOT ALLOW INSPECTION of his property is SUBJECT TO IMMEDIATE CANCELLATION. Please inform your insured at the time of application that our field service will call on him.

All new and renewal applications will be inspected by our Company Field Service.

Maintenance and upkeep of all properties must be average or better than average to comply with underwriting.

If through inspection, serious corrections are to be made by the policyholder, these corrections must be made within the time limit specified or the policy will be canceled.

Weeds and long grass should be kept down around all buildings.

Fuel tanks are not permitted inside any buildings.

Fire resistant insulations should be used. Any building WITH EXPOSED STYROFOAM, STYRENE OR URETHANE INSULATION WILL NOT BE ACCEPTABLE unless it is properly covered and then the building must be checked and a report made to the company.

BARREL TYPE WOOD HEATERS ARE NOT ACCEPTABLE.

WOOD/GAS COMBINATIONS STOVES ARE NOT ACCEPTABLE. WOOD AND GAS STOVES (separate units) CANNOT BE VENTED TO THE SAME CHIMNEY.

Please refer to the binding authority sections and coverage/optional coverage sections for the exact coverages limitation, and exclusions.

ALL RULES AND GUIDELINES WILL BE ENFORCED.

BILLINGS

All policies are billed directly to the insured by Sverdrup Mutual Insurance Company on an annual, semi-annual or quarterly basis. A \$2.00 fee per billing will apply for Sverdrup's portion of the package policy.

POLICY TERM

Policy Term is a maximum of THREE YEARS.

COVERAGE ITEMS

There are a number of items that are insured under the farm program that cause a problem as to which line of coverage should apply. For the policies written by Sverdrup Mutual Insurance Company, the following items will be classified to the following coverages:

IRRIGATION SYSTEM	Cov. G-2
SUBMERSIBLE PUMPS	Cov. A
UNDERGROUND WIRING	Cov. G
OUTSIDE WIRING	Cov. H
ANTENNAS, INCL. TOWERS, SATELLITES	Cov. A or Cov. C
INSTALLED EQUIPMENT	Cov. G

DEFERRED LOSS ENDORSEMENT

The deferred loss endorsement is required on the following:

VACANT AND UNOCCUPIED PROPERTY

TENANT OCCUPIED PROPERTY (upon Company request)

IDLE BUILDINGS AND BUILDINGS NOT USED FOR THEIR INTENDED
PURPOSE (upon Company request)

SECONDARY – other than primary – LOCATIONS