



2021 Rural & Small Agents' Conference



Enhancing Your Value To The Agribusiness Insurance Buyer

Presented by:
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Farm property and liability coverage forms are developed for the 'average' agribusiness risk. Insurance professionals clearly understand that many, many clients have exposures that are anything BUT average.

This presentation introduces a few vital endorsements that must be discussed with every client. Both property and liability endorsements will be discussed in our quest to use our resources to best address each client's agribusiness risk.

LEARNING OBJECTIVES

After this session, the participant will be able to:

1. Recognize the importance of the application process in identifying farm exposures.
2. Understand why endorsements are available in the Farm Property Program and identify reasons to use certain endorsements.
3. Understand why endorsements are available in the Farm Liability Program and identify reasons to use certain endorsements.

Learning Objective 1: Recognize the importance of the application process in identifying farm exposures.

Acord Agriculture and Agriculture Liability Applications are an EXCELLENT tool in walking a client through the process of identifying risk. As risk is uncertainty, any tool that reduces uncertainty reduces risk.

Steps in the Risk Management Process:



The first and most important step in the risk management process is Identification. The effective agent has mastered the art of identifying exposures. These applications are tools in that quest.



AGRICULTURE APPLICATION APPLICANT INFORMATION SECTION

DATE (MM/DD/YYYY)

AGENCY		CARRIER				NAIC CODE
CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:		COMPANY POLICY OR PROGRAM NAME		PROGRAM CODE:		
CODE	SUBCODE	NEW	EFFECTIVE DATE	EXPIRATION DATE	DIRECT BILL	PAYMENT PLAN
AGENCY CUSTOMER ID:		RNWL			AGENCY BILL	
INDICATE SECTIONS ATTACHED		QUOTE		POLICY TYPE		EST TOTAL PREMIUM \$
<input type="checkbox"/> AGRICULTURE LIABILITY	<input type="checkbox"/> AGRICULTURE PREMISES / LOCATION DIAGRAM	BOUND (DATE):		ISSUE POLICY		DEPOSIT \$
<input type="checkbox"/> AGRICULTURE PROPERTY	<input type="checkbox"/> AG PROPERTY SECTION SCHED AND UNSCHED PERSONAL PROPERTY	<input type="checkbox"/> LIVESTOCK MORTALITY	<input type="checkbox"/> EQUINE LIABILITY	<input type="checkbox"/> COMMERCIAL AUTO	<input type="checkbox"/> COMML GENERAL LIABILITY	BALANCE \$
<input type="checkbox"/> AG PROPERTY SECTION SCHED AND UNSCHED PERSONAL PROPERTY	<input type="checkbox"/> AG PROPERTY SECTION UNSCHED FARM PERSONAL PROPERTY	<input type="checkbox"/> * HOMEOWNERS	<input type="checkbox"/> * PERSONAL AUTO	<input type="checkbox"/> PERSONAL INLAND MARINE	<input type="checkbox"/> UMBRELLA	<input type="checkbox"/> WATERCRAFT

APPLICANT INFORMATION			
NAME (First Named Insured & Other Named Insureds)		MAILING ADDRESS INCL ZIP+4 (of First Named Insured)	
FEIN OR SOC SEC # (of First Named Insured):		PHONE (A/C, No, Ext):	
E-MAIL ADDRESS(ES):		NUMBER OF YEARS FARMING EXPERIENCE BY THE INSURED:	
<input type="checkbox"/> INDIVIDUAL	<input type="checkbox"/> CORPORATION	<input type="checkbox"/> SUBCHAPTER "S" CORPORATION NOT FOR PROFIT ORG	<input type="checkbox"/> LLC
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> JOINT VENTURE	<input type="checkbox"/> NO. OF MEMBERS AND MANAGERS	<input type="checkbox"/> CR BUSINESS ID NUMBER
INSPECTION CONTACT: PHONE (A/C, No, Ext):		INSPECTION CONTACT: PHONE (A/C, No, Ext):	
E-MAIL ADDRESS:		E-MAIL ADDRESS:	

TYPE OF FARM / RANCH OPERATIONS (Mark and describe all that apply)					
<input type="checkbox"/> AQUACULTURE	<input type="checkbox"/> FLOWERS	<input type="checkbox"/> HOBBY / GENERAL FARM	<input type="checkbox"/> LIVESTOCK GRAZING	<input type="checkbox"/> POULTRY	
<input type="checkbox"/> COTTON	<input type="checkbox"/> FRUIT / CITRUS	<input type="checkbox"/> HORSES	<input type="checkbox"/> LIVESTOCK PROCESSING	<input type="checkbox"/> TOBACCO	
<input type="checkbox"/> DAIRY	<input type="checkbox"/> FUR BEARING ANIMALS	<input type="checkbox"/> LIVESTOCK CONFINEMENT	<input type="checkbox"/> NURSERY STOCK	<input type="checkbox"/> VEGETABLES	
<input type="checkbox"/> FIELD CROPS	<input type="checkbox"/> GREENHOUSES	<input type="checkbox"/> LIVESTOCK MODEL	<input type="checkbox"/> NUTS	<input type="checkbox"/> VINEYARDS	
DESCRIBE FARM/RANCH OPERATIONS AND ANY INCIDENTAL BUSINESS ACTIVITIES. DESCRIBE ADDITIONAL ITEMS IN OPTIONAL CHECK BOXES.					

LOSS HISTORY			
ENTER ALL CLAIMS OR OCCURRENCES FOR THE PAST FIVE YEARS			
DATE OF OCCURRENCE	TYPE OF LOSS	DESCRIPTION OF OCCURRENCE	AMOUNT PAID

PRIOR INSURANCE INFORMATION		
PRIOR CARRIER	TYPE OF INSURANCE	POLICY #

OTHER RELATED POLICIES		
INSURED NAME	TYPE OF INSURANCE	POLICY #

REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

AGENCY CUSTOMER ID: _____

LOCATION / SUBLOCATION SCHEDULE

LOC #	ADDRESS (Street / Route, City, State, Zip)	SUBLOCATION TYPE	RANGE	
BLDG / SUBLOC #		<input type="checkbox"/> DWELLING	LATITUDE	LONGITUDE
		<input type="checkbox"/> STRUCTURE		
SUBLOCATION DESCRIPTION:				

LOC #	ADDRESS (Street / Route, City, State, Zip)	SUBLOCATION TYPE	RANGE	
BLDG / SUBLOC #		<input type="checkbox"/> DWELLING	LATITUDE	LONGITUDE
		<input type="checkbox"/> STRUCTURE		
SUBLOCATION DESCRIPTION:				

LOC #	ADDRESS (Street / Route, City, State, Zip)	SUBLOCATION TYPE	RANGE	
BLDG / SUBLOC #		<input type="checkbox"/> DWELLING	LATITUDE	LONGITUDE
		<input type="checkbox"/> STRUCTURE		
SUBLOCATION DESCRIPTION:				

LOC #	ADDRESS (Street / Route, City, State, Zip)	SUBLOCATION TYPE	RANGE	
BLDG / SUBLOC #		<input type="checkbox"/> DWELLING	LATITUDE	LONGITUDE
		<input type="checkbox"/> STRUCTURE		
SUBLOCATION DESCRIPTION:				

PREMISES INFORMATION

LOC #	COUNTY	SECTION	TOWNSHIP	FARM NAME	# ACRES	
IS THERE A YEAR-ROUND WATER SUPPLY USABLE FOR FIRE PROTECTION?						
<input type="checkbox"/> YES	IF YES, (A) SOURCE =		(B) QUANTITY =	PROT CLASS	FIRE DISTRICT CODE	
<input type="checkbox"/> NO	<input type="checkbox"/> WELL	<input type="checkbox"/> POND / LAKE	<input type="checkbox"/> LESS THAN 1,000 GALLONS	OPERATED BY	OWNED BY APPLICANT	
	<input type="checkbox"/> HYDRANT WITHIN 1,000 FT.		<input type="checkbox"/> 1,000-3,000 GALLONS	<input type="checkbox"/> APPLICANT	<input type="checkbox"/> YES	
			<input type="checkbox"/> OVER 3,000 GALLONS	<input type="checkbox"/> TENANT	<input type="checkbox"/> NO	
					DISTANCE TO	
					PUBLIC HYDRANT	FIRE STAT
					FT	MI

LOC #	COUNTY	SECTION	TOWNSHIP	FARM NAME	# ACRES	
IS THERE A YEAR-ROUND WATER SUPPLY USABLE FOR FIRE PROTECTION?						
<input type="checkbox"/> YES	IF YES, (A) SOURCE =		(B) QUANTITY =	PROT CLASS	FIRE DISTRICT CODE	
<input type="checkbox"/> NO	<input type="checkbox"/> WELL	<input type="checkbox"/> POND / LAKE	<input type="checkbox"/> LESS THAN 1,000 GALLONS	OPERATED BY	OWNED BY APPLICANT	
	<input type="checkbox"/> HYDRANT WITHIN 1,000 FT.		<input type="checkbox"/> 1,000-3,000 GALLONS	<input type="checkbox"/> APPLICANT	<input type="checkbox"/> YES	
			<input type="checkbox"/> OVER 3,000 GALLONS	<input type="checkbox"/> TENANT	<input type="checkbox"/> NO	
					DISTANCE TO	
					PUBLIC HYDRANT	FIRE STAT
					FT	MI

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<input type="checkbox"/> NO	<input type="checkbox"/> WELL	<input type="checkbox"/> POND / LAKE	<input type="checkbox"/> LESS THAN 1,000 GALLONS	OPERATED BY	OWNED BY APPLICANT	
	<input type="checkbox"/> HYDRANT WITHIN 1,000 FT.		<input type="checkbox"/> 1,000-3,000 GALLONS	<input type="checkbox"/> APPLICANT	<input type="checkbox"/> YES	
			<input type="checkbox"/> OVER 3,000 GALLONS	<input type="checkbox"/> TENANT	<input type="checkbox"/> NO	
					DISTANCE TO	
					PUBLIC HYDRANT	FIRE STAT
					FT	MI

LOC #	COUNTY	SECTION	TOWNSHIP	FARM NAME	# ACRES	
IS THERE A YEAR-ROUND WATER SUPPLY USABLE FOR FIRE PROTECTION?						
<input type="checkbox"/> YES	IF YES, (A) SOURCE =		(B) QUANTITY =	PROT CLASS	FIRE DISTRICT CODE	
<input type="checkbox"/> NO	<input type="checkbox"/> WELL	<input type="checkbox"/> POND / LAKE	<input type="checkbox"/> LESS THAN 1,000 GALLONS	OPERATED BY	OWNED BY APPLICANT	
	<input type="checkbox"/> HYDRANT WITHIN 1,000 FT.		<input type="checkbox"/> 1,000-3,000 GALLONS	<input type="checkbox"/> APPLICANT	<input type="checkbox"/> YES	
			<input type="checkbox"/> OVER 3,000 GALLONS	<input type="checkbox"/> TENANT	<input type="checkbox"/> NO	
					DISTANCE TO	
					PUBLIC HYDRANT	FIRE STAT
					FT	MI

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES	Y/N
1. DOES APPLICANT HAVE ANY OTHER BUSINESS OR OTHER NON-FARM ACTIVITIES ON OR OFF PREMISES, SUCH AS DUDE RANCH, BED & BREAKFAST OR RESORT FACILITY? IF SO, INCLUDE RECEIPTS: \$	
2. IS FARMING THE PRIMARY SOURCE OF THE INSURED'S INCOME?	
3. IS THIS BUSINESS NEW TO THE AGENCY?	
4. HAS ANY POLICY BEEN CANCELLED OR NONRENEWED IN THE PAST FIVE (5) YEARS? (Missouri Applicants - Do not answer this question)	
5. HAVE YOU INSPECTED THIS PROPERTY IN THE LAST TWELVE (12) MONTHS?	
6. DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In RI, failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment.)	
7. ARE INDEPENDENT CONTRACTORS HIRED TO PERFORM ANY FARMING OPERATIONS?	
8. IS ANY PART OF THE FARM RENTED OR LEASED FOR RECREATIONAL USE?	
9. ARE THE FARM PREMISES OPEN TO THE PUBLIC FOR ACTIVITIES SUCH AS RODEOS, STANDS, "U-PICK", RECREATIONAL, CAMPING, "RENT-A-GARDEN", AUCTION, SALES, SHOWS, RODEOS, HAY RIDES, FISHING, KAYAKING, ANIMAL BOARDING, OR CHRISTMAS TREE SALES?	
10. ARE ANY PORTIONS OF THE FARM OR STRUCTURES RENTED, LEASED OR USED BY ANY OTHER INDIVIDUAL, CORPORATION OR INTEREST FOR OTHER THAN FARMING?	
11. DOES THE APPLICANT OR SPOUSE OWN, RENT OR OPERATE ANY FARM, RANCH OR RESIDENCE ANY PREMISES OTHER THAN THOSE DESCRIBED IN THE PREMISES INFORMATION SECTION?	
12. IS ANY LAND HELD FOR REAL ESTATE DEVELOPMENT OR SPECULATION?	
13. DOES APPLICANT MAINTAIN ANY VACATION OR SEASONAL PREMISES?	
14. IS THE APPLICANT A SUBSIDIARY OF ANOTHER?	
15. DOES THE APPLICANT HAVE SUBSIDIARIES?	
16. DOES THE INSURED PLAN ANY CONSTRUCTION OR RENOVATION WORK TO BE DONE ON THE PREMISES IN THE NEXT TWELVE (12) MONTHS?	
17. IS A FORMAL SAFETY PROGRAM IN EXISTENCE?	
18. HAS APPLICANT HAD A FORECLOSURE, REPOSSESSION, BANKRUPTCY, JUDGEMENT OR LIEN DURING THE PAST FIVE (5) YEARS?	

SAMPLE

AGENCY CUSTOMER ID: _____

REMARKS / ATTACHMENTS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

APPRAISALS	COST ESTIMATOR	PHOTOS	STATE SUPPLEMENT(S) (if applicable)
BILL OF SALE	INVENTORIES	PREMISES DIAGRAM	

SIGNATURE

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER YOUR ELIGIBILITY FOR INSURANCE OR THE PREMIUM YOU WILL BE CHARGED. WE MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF YOUR SCORE. YOU MAY HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND REQUEST CORRECTION OF ANY INACCURACIES. YOU MAY ALSO HAVE THE RIGHT TO REQUEST IN WRITING THAT WE CONSIDER EXTRAORDINARY LIFE CIRCUMSTANCES IN CONNECTION WITH THE DEVELOPMENT OF YOUR CREDIT SCORE. THESE RIGHTS MAY BE LIMITED IN SOME STATES. PLEASE CONTACT YOUR AGENT OR BROKER TO LEARN HOW THESE RIGHTS MAY APPLY IN YOUR STATE OR FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US FOR A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING PERSONAL INFORMATION. (Not applicable in AZ, CA, DE, KS, MA, MN, ND, NY, OR, VA or WV. Specific ACORD 38s are available for applicants in these states.)

(Applicant's Initials): _____

Copy of the Notice of Information Practices (Privacy) has been given to the applicant. (Not required in all states, please contact your agent or broker for your state's requirements.)

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to insure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purposed insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER

Learning Objective 2: Understand why endorsements are available in the Farm Property Program and identify reasons to use certain endorsements.

A. Important Farm Property Endorsements

1. FP 04 04 Dwelling and Farm Building Replacement Cost Protection (Including Ordinance Or Law Coverage)
 - a. Available to modify which coverage forms?
 - ✓ FP 00 12 Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form
 - ✓ FP 00 14 Farm Property – Barns, Outbuildings, and Other Farm Structures Coverage Form
 - b. What does it do?
 - ✓ Replaces the Valuation Loss Condition
 - ✓ Adds Ordinance or Law Coverage
 - ✓ Allows for a coverage amount for Increased Reconstruction or Repair Costs Not Related To Ordinance Or Law

POLICY NUMBER:

FARM
FP 04 04 04 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DWELLING AND FARM BUILDING REPLACEMENT COST PROTECTION
(INCLUDING ORDINANCE OR LAW COVERAGE)**

This endorsement modifies insurance provided under the following:

FARM PROPERTY – BARN, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM
FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL PROPERTY COVERAGE FORM

SCHEDULE

(1) "Insured Location" Number	(2) Building Number And Description	(3) Amount Of Coverage (See Sections B.2. And B.3. And Sections C. And D. Of This Endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The terms of this endorsement apply separately to each building shown in column (2) of the Schedule.

If you are a tenant, building means building additions, alterations, fixtures, improvements or installations made or acquired at your expense to that part of the building used exclusively by you.

A. Replacement Cost Coverage

With respect to a building described in the Schedule, the **Valuation** Loss Condition is replaced by the following:

1. We will settle covered loss or damage on the basis of replacement cost without deduction for depreciation.

However, we will pay no more than the smallest of the following amounts for construction with materials of like kind and quality and use on the same premises:

- a. The replacement cost of the damaged part of the building;
- b. The amount actually and necessarily spent to repair or replace the damaged part of the building; or
- c. The applicable Limit Of Insurance for the building, as shown in the Declarations.

However, we will pay no more than the actual cash value of the damaged part of the building as of the time of loss, until actual repair or replacement is complete.

2. You may disregard the replacement cost loss settlement provisions and make an initial claim for payment on an actual cash value basis, and later make a supplementary claim for replacement cost payment. If you elect to exercise this option, you must notify us of your intention within 180 days of the occurrence of the loss.

B. Ordinance Or Law Coverages

1. Coverage 1 – Loss To Undamaged Portion Of Building

If a Covered Cause of Loss occurs to a building described in column (2) of the Schedule, we will pay for the loss in value of the undamaged portions as a consequence of a requirement to comply with any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the "insured location" identified in column (1) of the Schedule; and
- c. Is in force at the time of loss.

This coverage is included in the Limit(s) Of Insurance shown in the Declarations as applicable to the covered building(s).

2. Coverage 2 – Demolition Cost

If a Covered Cause of Loss occurs to a building described in column (2) of the Schedule, we will pay the costs that you incur for demolishing and clearing the site of undamaged parts of the building, when demolition is a consequence of a requirement to comply with a building, zoning or land use ordinance or law in force at the time of loss.

3. Coverage 3 – Cost To Reconstruct In Compliance With Ordinance Or Law

If a Covered Cause of Loss occurs to a building described in column (2) of the Schedule, we will pay the increased costs that you incur to:

- a. Repair or reconstruct damaged portions of the building; and/or

- b. Reconstruct or remodel undamaged portions of the building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with a building, zoning or land use ordinance or law in force at the time of loss.

However:

- a. We will not pay any increased costs if the building is not repaired, reconstructed or remodeled.

- b. We will not pay any costs incurred due to any ordinance or law that:

- (1) You were required to comply with before the loss, even if the building was undamaged; and
- (2) You failed to comply with.

- c. If, in the repair, reconstruction, or remodeling of the building, any applicable building, zoning, or land use ordinance or law in force at time of loss is not complied with as a result of your contractor's error, negligence or inadequate knowledge of that ordinance or law, we will not pay any increased cost you incur in rectifying the work to effect compliance.

- d. If the current building is a "dwelling", we will pay the increased repair or reconstruction costs you incur for a "dwelling" designed for no more than the same number of families as the current "dwelling".

- e. If the current building is not a "dwelling", this coverage applies only if the repaired, reconstructed or remodeled building is intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.

- f. If you reconstruct on a new site because the ordinance or law prohibits reconstruction on the original site, we will not pay more than the increased cost of construction on the new site.

C. Coverage 4 – Increased Reconstruction Or Repair Costs Not Related To Ordinance Or Law

If a Covered Cause of Loss occurs to a building described in column (2) of the Schedule and the reconstruction or repair costs that you consequently incur exceed the Limit of Insurance applicable to that building, and if the excess costs are not related to an ordinance or law, we will pay those excess costs.

However:

1. We will not pay any excess costs if the building is not repaired, reconstructed or remodeled; and
2. The conditions specified for Coverage 3 in Paragraphs 3.d. and 3.e. above also apply to this coverage.

D. Amount Of Coverage – Sections B. And C.

The Amount(s) of Coverage shown in column (3) of the Schedule applies to the total of all costs described in Sections **B.2.**, **B.3.** and **C.** of this endorsement. The Amount of Coverage does not represent the value of the building and is not part of the Limit of Insurance that applies to the building.

E. Exclusion Of Costs Related To "Pollutants"

Under this endorsement, we will not pay any costs associated with the enforcement of or compliance with any ordinance or law that requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

2. FP 04 21 Debris Removal Increased Limit of Insurance

a. Available to modify which coverage forms?

- ✓ FP 00 12 Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form
- ✓ FP 00 13 Farm Personal Property Coverage Form
- ✓ FP 00 14 Farm Property – Barns, Outbuildings, and Other Farm Structures Coverage Form
- ✓ FP 00 90 Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definition

b. What does it do?

- ✓ Allows for an increase in the Debris Removal limit found in the Farm Property Program

A. Additional Coverages

1. Debris Removal

- a. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- b. Except as provided in Paragraph **d.** below, the most we will pay under this Additional Coverage is 25% of:
 - (1) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (2) The deductible in this Policy applicable to that loss or damage.
- c. This Additional Coverage does not apply to costs to:
 - (1) Extract "pollutants" from land or water; or
 - (2) Remove, restore or replace polluted land or water.
- d. Debris removal expense is included in the Limit of Insurance applying to the damaged property. But if:
 - (1) The amount payable for the sum of direct physical loss or damage and debris removal expense exceeds the applicable Limit of Insurance; or
 - (2) The debris removal expense exceeds the amount payable under the 25% limitation in Paragraph **b.** above;
an additional 5% of the Limit of Insurance applying to the damaged property will be available to cover debris removal expense.

FP 00 90 04 16 Page 1 of 9

c. This endorsement contains a Schedule that requires the following information:

- ✓ “Insured Location” No.
- ✓ Location
- ✓ Increased Debris Removal Limit

NOTES

POLICY NUMBER:

FARM
FP 04 21 01 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEBRIS REMOVAL INCREASED LIMIT OF INSURANCE

This endorsement modifies insurance provided under the following:

FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD
PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – BARNs, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS,
DEFINITIONS

SCHEDULE*

"Insured Location" No.	Location	Increased Debris Removal Limit
		\$
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

The additional limit (5% of the applicable Limit of Insurance) in A.1.d. of the Debris Removal Additional Coverage is increased by the amount shown in the Schedule.

3. FP 04 36 Replacement Cost – Household Personal Property

a. Available to modify which coverage form?

- ✓ FP 00 12 Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form

b. What does it do?

- ✓ Replaces the Valuation Loss Condition of Actual Cash Value for some Household Personal Property items with Replacement Cost Coverage

COVERAGE C - HOUSEHOLD PERSONAL PROPERTY

LOSS CONDITION - VALUATION

In the event of loss of or damage to covered household personal property, we will settle at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

FP 00 12 04 16 Page 4 of 8

The **Valuation** Loss Condition in Paragraph **B. Coverage C Conditions** under **Coverage C – Household Personal Property** is replaced by the following:

Valuation

In the event of loss or damage under Coverage **C** we will determine the value of Covered Property on the basis of replacement cost without deduction for depreciation, subject to the following:

FP 04 36 04 16 Page 1 of 1

- c. This endorsement continues ACV loss settlement (not to exceed the cost to repair or replace) on several items of personal property
- ✓ Antiques, fine arts, paintings and similar irreplaceable rare or antique articles
 - ✓ Memorabilia, souvenirs, collector's items and similar articles whose age or history contribute to their value
 - ✓ Articles not maintained in good or workable condition
 - ✓ Articles that are outdated or obsolete and stored or not used
- d. The most that will be paid in any one occurrence is the least of
- ✓ The amount actually and necessarily spent to repair or replace the Covered Property
 - ✓ **400% of the item's ACV**
 - ✓ The applicable special limit of insurance that applies to the item
- e. Although this endorsement 'sounds' similar to its counterpart in the ISO HO program (Personal Property Replacement Cost Loss Settlement HO 04 90), it has substantial differences

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REPLACEMENT COST – HOUSEHOLD PERSONAL PROPERTY

This endorsement modifies insurance provided under the following:

FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD
PERSONAL PROPERTY COVERAGE FORM

The **Valuation** Loss Condition in Paragraph **B. Coverage C Conditions** under **Coverage C – Household Personal Property** is replaced by the following:

Valuation

In the event of loss or damage under Coverage **C** we will determine the value of Covered Property on the basis of replacement cost without deduction for depreciation, subject to the following:

- a. We will determine the value of the following kinds of property on the basis of actual cash value as of time of loss up to an amount no greater than the cost to repair or replace:
 - (1) Antiques, fine arts, paintings and similar irreplaceable rare or antique articles;
 - (2) Memorabilia, souvenirs, collectors' items and similar articles whose age or history contribute to their value;
 - (3) Articles not maintained in good or workable condition; and
 - (4) Articles that are outdated or obsolete and are stored or not used.
- b. The most we will pay in any one occurrence is the least of:
 - (1) The amount actually and necessarily spent to repair or replace the Covered Property;
 - (2) 400% of the actual cash value of the Covered Property as of time of loss; or
 - (3) The applicable special Limit of Insurance shown in Paragraph **A.3.** under Coverage **C – Household Personal Property.**
- c. If your loss qualifies for payment on a replacement cost basis, but the cost of repair or replacement is more than \$500, the only basis on which we will settle pending completion of repair or replacement is actual cash value, as of time of loss.

In case of such a loss, you can make an initial claim for payment on the actual cash value basis, and later make a supplementary claim for replacement cost payment. If you elect to exercise this option, you must notify us of your intention in writing within 180 days of the occurrence of the loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage C; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances; whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) Consisting principally of fur;
 - c. Cameras, projection machines, films and related articles of equipment;
 - d. Musical equipment and related articles of equipment;
 - e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (3) Smoking implements; or
 - (4) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles, whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in A. above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage C, if applicable;
 - d. Any applicable special limits of liability stated in this policy; or
 - e. For loss to any item described in A.2.a. – f. above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in A. above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us, within 180 days after the date of the loss, of your intent to repair or replace the damaged property.

All other provisions of this policy apply.

4. FP 04 61 Scheduled Personal Property

a. Available to modify which coverage form?

- ✓ FP 00 12 Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form
- ✓ FP 00 90 Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions
- ✓ FP 10 60 Causes of Loss Form – Farm Property

b. Why is it needed?

- ✓ The FP 00 12 includes a list of personal property subject to limits

3. Special Limits Of Insurance Under Coverage C

Certain categories of household personal property are subject to Special Limits of Insurance. These special limits are part of, not in addition to, the applicable Limit Of Insurance shown in the Declarations. The special limit shown with any category listed below is the most we will pay for loss of or damage to all property in that category in any one occurrence:

- a. \$200 on gold other than goldware, "money", platinum other than platinumware and silver other than silverware;
- b. \$1,500 on letters of credit, manuscripts, passports and "securities". This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists. This limit includes the cost to research, replace or restore the information from the lost or damaged material;
- c. \$2,500 on watercraft, including their equipment, furnishings, outboard engines or motors, and trailers;
- d. \$1,500 on trailers or semitrailers not used with watercraft nor for farming operations;
- e. \$2,500 on "business property" on the "insured location";
- f. \$1,500 on "business property" off the "insured location". However, this limit does not apply to antennas, tapes, wires, records, discs or other media that:
 - (1) Are used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) Are in or upon a motor vehicle or other motorized land conveyance;
- g. In the event of loss by theft:
 - (1) \$2,500 on furs, jewelry, precious and semiprecious stones, and watches;
 - (2) \$2,500 on goldware, goldplated ware, silverware, silverplated ware, platinumware, platinumplated ware and pewterware. This includes flatware, hollowware, tea sets, trays, trophies and the like; also other utilitarian items made of or containing silver, gold, platinum or pewter; and
 - (3) \$3,000 on firearms and related equipment;
- h. \$1,500 on portable electronic equipment that:
 - (1) Reproduces, receives or transmits audio, visual or data signals;
 - (2) Is designed to be operated by more than one power source, one of which is a motor vehicle's or motorized land conveyance's electrical system; and
 - (3) Is in or upon a motor vehicle or other motorized land conveyance;
- i. \$1,500 on portable electronic equipment that is used primarily in connection with the operation of the farm, while off the "insured location" and not in or upon a motor vehicle or other motorized land conveyance. The portable electronic equipment must:
 - (1) Reproduce, receive or transmit audio, visual or data signals; and
 - (2) Be designed to be operated by more than one power source, one of which is a motor vehicle's or motorized land conveyance's electrical system.

This limit applies to antennas, tapes, wires, records, discs or other media that are used with the portable electronic equipment;

- j. \$250 on antennas, tapes, wires, records, discs or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a motor vehicle or other motorized land conveyance.

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c. What does it do?

2. Property Not Covered

Under Coverage C, Covered Property does not include:

a. Articles separately described and specifically covered, regardless of the limit for which they are covered, under this or any other insurance;

FP 00 12 04 16 Page 3 of 8

- ✓ Manifests a specific Limit of Insurance for certain kinds of Personal Property as shown in Schedule A of the endorsement
- ✓ Extends specific limits of coverage for specific newly acquired property
- ✓ Removes the value of these scheduled items from the Coverage C limit
- ✓ Changes Covered Causes of Loss from Broad Form Named Perils to Risks of Direct Physical Loss, subject to endorsement exclusions
- ✓ Eliminates deductible
- ✓ Subjects covered property to a specific Valuation in the event of a loss

e. What does it **NOT** do?

- ✓ Change loss settlement from ACV – Endorsement **IS NOT AN AGREED VALUE LOSS SETTLEMENT FORM**

POLICY NUMBER:

FARM
FP 04 61 04 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED PERSONAL PROPERTY

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM – FARM PROPERTY
FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD
PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS,
DEFINITIONS

SCHEDULE A

Kind Of Personal Property	Limit Of Insurance
1. Jewelry , as listed in Schedule B below	\$
2. "Furs" , as listed in Schedule B below	\$
3. "Cameras" , as listed in Schedule B below	\$
4. "Musical Instruments" , as listed in Schedule B below	\$
5. Silverware , silverplated ware, goldware, goldplated ware and pewterware, but not pens, pencils, flasks, smokers' articles or jewelry	\$
6. "Golfers' Equipment"	\$
7.a. Fine Arts , as listed below in Schedule B . The premium for fine arts is subject to recalculation if the property covered is located elsewhere than at the following addresses:	\$
At	
At	
7.b. If any article in Schedule B below is marked with an asterisk (*), the Fine Arts Exclusion in Paragraph C.2.g.(2) below is deleted.	\$
8. "Postage Stamps"	\$
9. "Rare And Current Coins"	\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

SCHEDULE B

Article	Description	Limit Of Insurance
		\$
		\$
		\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Certain kinds of property covered under Coverage **C** – Household Personal Property in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form are subject to Special Limits Of Insurance as shown above in Schedules **A** and **B**.

B. Coverage Extensions

1. Newly Acquired Jewelry, "Furs", "Cameras" And "Musical Instruments"

If, during the policy period, you acquire jewelry, "furs", "cameras" or "musical instruments" of a type already covered under this endorsement, we will cover this property for up to 30 days. The most we will pay for loss of or damage to such property is the lesser of:

- a. 25% of the total Limit Of Insurance shown in the Schedules for that type of property; or
- b. \$10,000.

You will report such property to us within 30 days of the date of acquisition and will pay any additional premium due. If you do not report such property, coverage will automatically end 30 days after the date of acquisition.

2. Newly Acquired Fine Arts

If Limits Of Insurance are shown in the Schedules for fine arts, objects of art that you acquire during the policy period will be Covered Property to the extent of their actual cash value. The most we will pay for loss of or damage to such property is 25% of the Limit Of Insurance shown in the Schedule for fine arts.

You will report such property to us within 90 days of the date of acquisition and will pay any additional premium due. If you do not report such property, coverage will automatically end 90 days after the date of acquisition.

C. Causes Of Loss And Exclusions

With respect to the property for which Limits Of Insurance are shown in the Schedules, the Causes of Loss shown in the Declarations as applying to Coverage **C** – Household Personal Property and Paragraph **E**. Exclusions of the Causes Of Loss Form – Farm Property are replaced by the following:

1. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this endorsement.

2. Exclusions

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Wear and tear, gradual deterioration or inherent vice.
- b. Insects or vermin.
- c. War, including undeclared or civil war.
- d. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents.
- e. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- f. Nuclear reaction or radiation, or radioactive contamination, however caused.
But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.
- g. If fine arts are covered:
 - (1) Damage caused by any repairing, restoration or retouching process;
 - (2) Breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss by breakage caused by:
 - (a) Fire or lightning;
 - (b) Explosion, aircraft or collision;
 - (c) Windstorm, earthquake or flood;
 - (d) Vandalism or theft; or
 - (e) Derailment or overturn of a conveyance; and
 - (3) Any cause whatever to property on exhibition at fairgrounds or premises of national or international expositions, unless the premises are covered by this Policy.

- h. If collections of "postage stamps" or "rare and current coins" are covered:
 - (1) Fading, creasing, denting, scratching, tearing or thinning;
 - (2) Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
 - (3) Any damage from being handled or worked on;
 - (4) Disappearance of individual stamps, coins or other articles unless the item is:
 - (a) Described and scheduled with a specific Limit of Insurance; or
 - (b) Mounted in a volume and the page it is attached to is also lost;
 - (5) Any cause whatever to property in the custody of transportation companies;
 - (6) Shipments by mail other than registered mail; or
 - (7) Any cause whatever to property not part of a stamp or coin collection.
- i. Any cause to golf balls, except for:
 - (1) Fire; and
 - (2) Burglary, but only if there are visible marks of forcible entry into the building, room or locker in which they were contained at the time of loss.

D. Deductible

No deductible applies to the coverage afforded under this endorsement.

E. Additional Conditions

The following conditions applicable to the insurance afforded under this endorsement are added to Paragraph **B**. Coverage **C** Conditions in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Loss Conditions

a. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss of a scheduled item, in which event we will refund the unearned premium on that item.

b. Valuation

(1) Fine Arts

- (a) We will pay, for each article designated in the Schedule, the full amount shown in the Schedule which is agreed to be the value of that article or property. At our request, you will surrender that article or property to us if not lost or stolen.
- (b) If the scheduled article or property is a pair or set, or consists of several parts when complete, we will pay the full amount shown in the Schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.
- (c) In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.
- (d) We will, at your request, sell back to you, at a price you and we agree upon, any class of property or the scheduled article you surrendered to us to comply with the terms in Paragraph **E.1.b.(1)(a), (b) or (c)** above.

(2) "Postage Stamps" Or "Rare And Current Coins" Collection

- (a) In case of loss to any scheduled item, the amount to be paid will be determined in accordance with Paragraph **E.1.b.(2)(c)** below.
- (b) When coins or stamps are covered on a blanket basis, we will pay the cash market value as of time of loss but not more than \$1,000 on any unscheduled coin collection nor more than \$250 for any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card.
- (c) We will not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value as of time of loss.

(3) Other Property

In the event of loss, the value of property will be determined as of the time of loss.

We will not pay more than the least of the following amounts:

- (a) The actual cash value of the property at time of loss;
- (b) The cost of reasonably restoring the property to its condition immediately before loss;
- (c) The cost of replacing the property with substantially identical property; or
- (d) The Limit Of Insurance shown in the Schedule.

c. Pair, Set Or Parts Other Than Fine Arts

(1) Loss To A Pair Or Set

In case of a loss to a pair or set, we may elect to:

- (a) Repair or replace any part to restore the pair or set to its value before the loss; or
- (b) Pay the difference between actual cash value of the property before and after the loss.

(2) Parts

In case of loss to any part of Covered Property consisting of several parts when complete, we will pay only the value of the destroyed or damaged part.

2. General Conditions

a. Coverage Territory

We cover property described in Schedules **A** and **B** anywhere in the world.

b. Packing Of Fine Arts

You agree that the Covered Property will be handled by competent packers.

F. Additional Definitions

The following definitions apply with respect to coverage granted under this endorsement in addition to the definitions in Paragraph **C.** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

- 1. "Cameras" means cameras, projection machines, films and related equipment.
- 2. "Furs" means furs and garments trimmed with fur or consisting principally of fur.
- 3. "Golfers' equipment" includes:
 - a. Golf clubs, golf equipment, golf clothing; and
 - b. Your other clothing while contained in a locker when you are playing golf.
- 4. "Musical instruments" means musical instruments and related equipment.
- 5. "Postage stamps" includes the following owned by or in the care, custody or control of the "insured":
 - a. Due, envelope, official, revenue, match and medicine stamps;
 - b. Covers, locals, reprints, essays, proofs and other philatelic property; and
 - c. Books, pages and mountings of items in Paragraphs **a.** and **b.** above.
- 6. "Rare and current coins" includes the following owned by or in the care, custody or control of the "insured":
 - a. Medals, paper money, bank notes;
 - b. Tokens of money and other numismatic property; and
 - c. Coin albums, containers, frames, cards and display cabinets in use with coin collections.

Learning Objective 2: Understand why endorsements are available in the Farm Liability Program and identify reasons to use certain endorsements.

B. Important Farm Liability Endorsements

1. FL 01 63 Amendatory Endorsement

a. Available to modify which coverage forms?

✓ FL 00 20 Farm Liability Coverage Form

b. What does it do?

This endorsement is VITAL

✓ Adds an exception to the Pollution exclusion for BI and PD as the result of an agricultural fire under particular conditions

✓ Adds Chemical Drift Liability Coverage

**SECTION I – COVERAGES
COVERAGE H – BODILY INJURY AND
PROPERTY DAMAGE LIABILITY**

2. Exclusions

This insurance does not apply to:

c. Pollution

(1) "Bodily injury" and "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any "insured". However, this subparagraph, (1)(a), does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or

(ii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

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SECTION IV – DEFINITIONS

20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

FARM LIABILITY COVERAGE FORM

A. Coverage H – Bodily Injury And Property Damage Liability

Under Paragraph 2. **Exclusions**, Exclusion c. **Pollution**, the following is added to the exceptions to Subparagraph (1)(a):

- (iii) "Bodily injury" or "property damage" caused by heat, smoke or fumes from a fire, if the fire:
 - i. Is set by the "insured" on the "insured location"; and
 - ii. Is set for the purpose of burning off crop stubble or other vegetation and is consistent with normal and usual agricultural practice; and
 - iii. Is not set in violation of an ordinance or law.

B. Chemical Drift Liability Coverage is added to the Farm Liability Coverage Form as Coverage M, as described and limited in Paragraphs 1. through 5. below:

1. Insuring Agreement

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages for physical injury to crops or animals if:
 - (1) The injury was caused by discharge, dispersal, release or escape into the air, from the "insured location", of the chemicals, liquids or gases that the "insured" has used in normal and usual agricultural operations; and
 - (2) The chemicals, liquids or gases entered into the air by some means other than discharge, dispersal, release or escape from aircraft.

The term physical injury does not include any indirect or consequential damages such as loss, at any time, of market for crops or animals or of use of soil or animals.

This coverage applies only to physical injury that occurs during the policy period. The physical injury must be caused by an "occurrence".

- b. We will have the right and duty to defend the "insured" against any "suit" seeking damages for covered physical injury. However, we will have no duty to defend the "insured" against any "suit" seeking damages for physical injury to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described below in Paragraph 3., Aggregate Limit Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable Aggregate Limit of Insurance in the payment of judgments or settlements under Chemical Drift Liability Coverage.

As used in this endorsement, the term "suit" means a civil proceeding in which damages because of physical injury to which this insurance applies are alleged.

"Suit" includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
 - (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.
- c. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Subparagraph a. of Paragraph 1. Supplementary Payments of the Additional Coverages in the Farm Liability Coverage Form.

2. Exclusions

Chemical Drift Liability Coverage does not apply to:

a. Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, chemicals, liquids or gases.

However, this paragraph does not apply to liability for damages that the "insured" would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

b. Physical injury to crops or animals arising out of agricultural operations which are in violation of an ordinance or law.

c. Physical injury to crops or animals expected or intended from the standpoint of the "insured".

d. Physical injury to crops or animals for which the "insured" is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the physical injury occurs subsequent to the execution of the contract or agreement; or
- (2) That the "insured" would have in the absence of the contract or agreement.

With respect to Chemical Drift Liability Coverage, Paragraph e. of the "insured contract" definition in the Farm Liability Coverage Form is replaced by the following:

e. That part of a contract or agreement pertaining to your "farming" operations (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay a third person or organization for physical injury to crops or animals. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

However, Paragraph e. above does not include that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.

e. Physical injury to crops or animals you own, rent or borrow.

3. Aggregate Limit Of Insurance For Chemical Drift Liability Coverage: \$25,000

a. Our total liability for Coverage M, Chemical Drift Liability Coverage, is the Aggregate Limit of Insurance stated above, unless a different Aggregate Limit Of Insurance is stated for Coverage M in the Declarations.

b. The stated Aggregate Limit of Insurance applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Insurance.

- c. Therefore, the stated Aggregate Limit of Insurance is the most we will pay for the applicable period of time as described in Paragraph **b.** above, regardless of the number of:
- (1) "Occurrences";
 - (2) "Insureds";
 - (3) Claims made or "suits" brought; or
 - (4) Persons or organizations making claims or bringing "suits".
4. Section **III** – Farm Liability Conditions of the Farm Liability Coverage Form applies to Chemical Drift Liability Coverage.
 5. Words and phrases that appear in quotation marks in this endorsement have meaning as defined in Section **IV** – Definitions of the Farm Liability Coverage Form, unless otherwise defined in this endorsement.

SAMPLE

2. FL 04 65 Farm Employers' Liability And Farm Employees' Medical Payments Insurance
 - a. Available to modify which coverage forms?
 - ✓ FL 00 20 Farm Liability Coverage Form
 - ✓ CG 00 01 Commercial General Liability Coverage Form
 - b. What does it do?
 - ✓ Provides payment for damages for **legal liability** as a result of BI sustained by a "farm employee" caused by an "occurrence" arising out of & in the course of employment
 - ✓ Damages include care, loss of services or death as a result of the BI
 - ✓ Medical Payments for a "farm employee" are available
 - ✓ **THIS COVERAGE IS NOT SYNONYMOUS WITH WORKERS COMPENSATION COVERAGE**

Please remember – A Workers Compensation and Employers Liability Policy has two distinct coverage parts. Part One – Workers Compensation Insurance protects the employer (named insured) for their statutory exposure as an employer in the employer – employee relationship. Part Two – Employers Liability Insurance protects the employer (named insured) for four very distinct exposures:

- Third party action over (**NOT COVERED** in FL 04 65)
- Care and loss of services (**COVERED** in the FL 04 65)
- Consequential bodily injury (**NOT COVERED** in FL 04 65)
- Dual capacity (**NOT COVERED** in FL 04 65)

All of these exposures are EXCLUDED in both the FL and GL

12. "Insured"

- b.** "Insured" also means any of your employees other than either your executive officers (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts that:
 - (1)** Cause "bodily injury" or "personal injury" to someone other than you, your partners or members (if you are a partnership or joint venture), your members (if you are a limited liability company) or a co-employee; and
 - (2)** Are within the scope of the employee's employment by you. The providing of professional health care services or the failure to provide them will not be considered to be within the scope of any employee's employment by you.

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SECTION II – WHO IS AN INSURED

2. Each of the following is also an insured:

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

- (1)** "Bodily injury" or "personal and advertising injury":
 - (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
 - (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
 - (d)** Arising out of his or her providing or failing to provide professional health care services.

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2. Exclusions

This insurance does not apply to:

n. Workers' Compensation Or Similar Law

Any obligation of the "insured" under a workers' compensation, disability benefits or unemployment compensation law or any similar law;

o. Employers' Liability

"Bodily injury" sustained by:

- (1) Any employee (other than a "residence employee") as a result of his or her employment by the "insured";
- (2) Any "residence employee", unless the employee makes a written claim or brings "suit" no later than 36 months after the end of the policy period; or
- (3) The spouse, child, parent, brother or sister of any employee as a consequence of "bodily injury" to that employee.

This exclusion applies whether the "insured" may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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2. Exclusions

This insurance does not apply to:

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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2. Exclusions

This insurance does not apply to:

q. Bodily Injury To An Insured

"Bodily injury" to you or to any "insured" within the meaning of "insured" as defined in Paragraph 12.a.(1) in Section IV – Definitions.

This exclusion also applies to any claim made or "suit" brought against you or any "insured" to:

- (1) Repay; or
- (2) Share damages with;
another person who may be obligated to pay damages because of such "bodily injury";

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARM EMPLOYERS' LIABILITY AND FARM EMPLOYEES' MEDICAL PAYMENTS INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
FARM LIABILITY COVERAGE FORM

SCHEDULE

A	Coverages	Limits Of Insurance
	Farm Employers' Liability	\$ Each "Occurrence"
	Farm Employees' Medical Payments	\$ Each "Farm Employee"
B	Payroll	Rate Per \$1,000 Of Payroll
		\$
		\$
		\$
C	The Optional Extension Of Coverage – Occurrences Involving "Motor Vehicle"/"Autos", Watercraft:	
	<input type="checkbox"/> Applies <input type="checkbox"/> Does Not Apply	
D	The Earned Premium For This Coverage:	
	<input type="checkbox"/> Is Subject To The Audit Provisions Of This Endorsement.	
	<input type="checkbox"/> Is Not Subject To The Audit Provisions Of This Endorsement.	
E	Employees To Whom The Provisions Of This Endorsement Do Not Apply:	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

SECTION I – COVERAGES

The following insuring agreements and exclusions are added to **Section I – Coverages** of the Farm Liability Coverage Form and the Commercial General Liability Coverage Form:

A. Farm Employers' Liability

1. Additional Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" to which this insurance applies. The "bodily injury" must:

(1) Be caused by an "occurrence";

(2) Be sustained by a "farm employee"; and

(3) Arise out of and in the course of the injured employee's employment by the insured; this employment must involve ownership, maintenance or use of portions of the "insured location" that are owned or operated for "farming" purposes. As used here, the terms ownership, maintenance and use include operations necessary or incidental to ownership, maintenance and use.

b. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

c. We will have the right and duty to defend the insured against any "suit" seeking damages of the kind described in Paragraph a. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result.

But our right and duty to defend end when we have used up the Limit Of Insurance shown in the Schedule in payment of judgments or settlements.

d. No other obligation or liability to pay sums or perform acts or services is covered, except for the costs, expenses and interest amounts explicitly provided for:

(1) In the Farm Liability Coverage Form under Paragraph a. of the Additional Coverage Supplementary Payments – Coverages H And I; or

(2) In the Commercial General Liability Coverage Form under Paragraph 1. of Supplementary Payments – Coverages A And B.

2. Additional Exclusions

The insurance afforded under this endorsement does not apply to:

a. "Bodily injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement;

b. "Bodily injury" sustained by any "farm employee" unless, within 36 months of the end of the policy period, written claim is made or "suit" is brought against the insured for damages because of the "bodily injury";

c. "Bodily injury" sustained by any employee while engaged in the operation or maintenance of aircraft.

This exclusion does not apply to model or hobby aircraft unless used or designed to carry an operator(s), any other person(s) or cargo;

d. "Bodily injury" to any employee eligible to receive any benefits that an insured voluntarily provides or is required to provide under any workers' compensation, disability benefits or unemployment compensation law or any similar law;

e. "Bodily injury" to any employee employed in violation of law with your knowledge or consent;

f. Punitive or exemplary damages for "bodily injury" to any employee employed in violation of law; or

g. "Bodily injury" to the spouse, child, parent, brother or sister of a "farm employee" as a consequence of "bodily injury" to that employee.

B. Farm Employees' Medical Payments

1. Additional Insuring Agreement

a. We will pay, to or for each "farm employee" who sustains "bodily injury" caused by an accident, all reasonable medical expenses to which this insurance applies.

The "bodily injury" must arise out of and in the course of the injured employee's employment by the insured, and this employment must involve ownership, maintenance or use of portions of the "insured location" that are owned or operated for "farming" purposes. As used here, the terms ownership, maintenance and use include operations necessary or incidental to ownership, maintenance and use.

b. We will pay these expenses regardless of fault.

c. Reasonable medical expenses means expenses incurred or medically ascertained for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

d. This insurance applies only to reasonable medical expenses incurred or medically ascertained within three years of the date of the accident.

2. Optional Extension Of Coverage – Occurrences Involving "Motor Vehicles"/"Autos", Watercraft

If Item **C** of the Schedule indicates that this Optional Coverage Extension applies, the coverage granted under the Additional Insuring Agreement in Paragraph **1.** is extended to apply to payment of all reasonable medical expenses to or for each "farm employee" who sustains "bodily injury" in an "occurrence" involving the maintenance, use, operation or "loading or unloading" of a "motor vehicle"/"auto" or watercraft while acting within the scope of his or her "farming" duties. This coverage extension is not additional insurance.

3. Additional Exclusions

The insurance afforded under this endorsement does not apply to:

- a. "Bodily injury" sustained by an employee while engaged in the operation or maintenance of aircraft; or
- b. "Bodily injury" to any employee eligible to receive any benefits that an insured voluntarily provides or is required to provide under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

SECTION II – WHO IS AN INSURED

1. If this endorsement is made a part of a policy containing the Farm Liability Coverage Form, Definition **12.** (Section **IV**) of that Coverage Form does not apply to the insurance afforded under this endorsement.
2. If this endorsement is made part of a policy containing the Commercial General Liability Coverage Form, Section **II – Who Is An Insured** of that Coverage Form does not apply to the insurance afforded under this endorsement.
3. With respect to the insurance afforded under this endorsement, the following applies:
If you are designated in the Declarations as:
 - a. An individual, you are an insured, and, if they are members of your household, your spouse, and your and your spouse's relatives who are under the age of 21 are also insureds.
 - b. A partnership or joint venture, you are an insured. Your members and partners, and their spouses are also insureds, but only with respect to the conduct of your "farming" operations.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your "farming" operations. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limit Of Insurance shown in the Schedule and the provisions below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Persons who sustain "bodily injury"; or
 - c. Claims made or "suits" brought on account of "bodily injury".
2. The Limit Of Insurance shown in the Schedule for Farm Employers' Liability is the most we will pay for all damages as the result of any one "occurrence".
3. The Limit Of Insurance shown in the Schedule for Farm Employees' Medical Payments as applicable to each "farm employee" is the most we will pay for all medical expense for "bodily injury" to any one "farm employee" as the result of any one accident.

SECTION IV – ADDITIONAL DEFINITIONS AND INAPPLICABLE DEFINITIONS

If this endorsement is made part of a policy containing the Commercial General Liability Coverage Form, the following are added to **Section V – Definitions** of that Coverage Form:

1. "Farm employee" means any insured's employee whose duties are principally in connection with the maintenance or use of the "insured location" as a farm. These duties include the maintenance or use of the insured's farm equipment.
But "farm employee" does not mean any employee while engaged in any insured's business pursuits other than "farming".

2. "Farming" means the operation of an agricultural or aquacultural enterprise, and includes the operation of roadside stands, on your farm premises, maintained solely for the sale of farm products produced principally by you. Unless specifically indicated in the Declarations, farming does not include:
 - a. Retail activity other than that described above; or
 - b. Mechanized processing operations.
3. "Insured location" means:
 - a. The farm premises (including grounds and private approaches) shown in the Declarations;
 - b. Premises used by you in conjunction with the farm premises included in Paragraph a. above;
 - c. Vacant land owned by or rented to an insured;
 - d. Any part of premises occasionally rented to any insured for "farming" purposes; and
 - e. Any farm premises (including its grounds and private approaches) that you or your spouse acquire during the term of this Policy.

If this endorsement is made part of a policy containing the Commercial General Liability Coverage Form, the definitions of "employee", "leased worker", "temporary worker" and "volunteer worker", as shown in Section V – Definitions of that Coverage Form, do not apply to the insurance provided under this endorsement.

SECTION V – AUDIT

1. The premium for this coverage is based on your payroll.
2. The advance premium for this coverage, as determined by the payroll amount and rate indicated in the Schedule, is an estimated premium only. After each anniversary and upon termination of the Policy, you must notify us of your payroll during the policy period. We will compute the earned premium using our rules, rates, rating plans, premiums and minimum premiums that apply to this coverage. The due date for audit premiums is the date shown as the due date on the bill. If the earned premium we compute is more than the advance premium, you must pay us the difference. If the earned or minimum premium is less than the advance premium, we will refund the difference.

3. FL 04 69 Custom Farming Liability Coverage

2. Exclusions

This insurance does not apply to:

j. Custom Farming

"Bodily injury" or "property damage" arising out of the "insured's":

- (1) Performance of; or
- (2) Failure to perform; "custom farming" operations.

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a. Available to modify which coverage forms?

- ✓ FL 00 20 Farm Liability Coverage Form
- ✓ CG 00 01 Commercial General Liability Coverage Form

b. What does it do?

- ✓ Provides BI and PD coverage to "Custom Farming" operations listed in the endorsement
- ✓ Removes several exclusions
- ✓ Endorsement is auditable

2. Exclusions

This insurance does not apply to:

r. Damage To Property

- (5) Personal property in the care, custody or control of the "insured".

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2. Exclusions

This insurance does not apply to:

t. Damage To Your Work

"Property damage" to:

- (1) "Your work", arising out of it or any part of it; or
- (2) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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2. Exclusions

This insurance does not apply to:

u. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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SECTION IV – DEFINITIONS

6. "Custom farming" means performance of specific planting, cultivating, harvesting or similar specific "farming" operations by an "insured", at a farm that is not an "insured location", when the performance is for, and under the direction or supervision of, the owner or operator of the farm or the authorized representative of the owner or operator.

But "custom farming" does not mean:

- a. Operations conducted at a premises rented to, leased to or controlled by an "insured";
- b. Operations for which no compensation in money or goods is received; or
- c. A neighborly exchange of services.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CUSTOM FARMING LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
FARM LIABILITY COVERAGE FORM

SCHEDULE*

Type Of Custom Farming	Receipts	Rate Per \$1,000 Of Receipts	Advance Premium
			\$
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.			

- A.** Coverage for Bodily Injury and Property Damage Liability and Medical Payments is extended to apply to "custom farming" operations performed by you.
- B.** If this endorsement is made part of a policy containing the Farm Liability Coverage Form:
 - 1.** Exclusion **2.j.** of Coverage **H** (Section **I**) does not apply to coverage provided by this endorsement.
 - 2.** Exclusion **2.r.(5)** of Coverage **H** (Section **I**) does not apply to coverage provided by this endorsement.
 - 3.** Exclusions **2.t.** and **2.u.** of Coverage **H** (Section **I**) do not apply to coverage provided by this endorsement.
- C.** If this endorsement is made part of a policy containing the Commercial General Liability Coverage Form, Exclusions **2.j.(4)** and **(6)**, **2.l.** and **2.m.** of Coverage **A** (Section **I**) do not apply to coverage provided by this endorsement.

D. Additional Conditions

The following conditions apply in addition to the Liability Conditions and the Common Policy Conditions:

- 1.** The premium for this insurance is based on receipts. The word receipts means the gross amount of money charged by you for or in connection with "custom farming" operations during the term of the policy. It includes taxes, but not the taxes you collect separately to remit directly to a governmental division.
- 2.** The advance premium for this coverage is an estimated premium only. After each anniversary and upon termination of the policy, you must notify us of the receipts during the policy period. We will compute the earned premium using our rules, rates, rating plans, premiums and minimum premiums that apply to this coverage. The due date for audit premiums is the date shown as the due date on the bill. If the earned premium we compute is more than the advance premium, you must pay us the difference. If the earned or minimum premium is less than the advance premium, we will refund the difference.

Conclusion

Although farm property and farm liability coverage forms (including the commercial general liability coverage form) provide broad coverages for our clients' exposures, there are many instances in which their coverages are inadequate.

Careful review of a particular client's needs will routinely reveal a need for endorsements, and, at times, additional coverage forms to meet those needs. The insurance professional is afforded the opportunity at these times to enhance their value to the client and make themselves a valuable asset to that farmer.