

## **FARM LIABILITY COVERAGES**

### **A. BASE COVERAGE PROVIDED**

The following is provided as a guide to the coverages provided. For details, limitations, exclusions, terms, or conditions please refer to the entire contract (FL 700 20). Coverage is provided for sums that the insured becomes legally obligated to pay for bodily injury, property damage, personal and advertising injury.

#### **1. Farm Liability - Coverage H. Bodily Injury and Property Damage and Coverage I. Personal and Advertising Injury**

- a. Includes personal activities coverage for those named insureds residing on the described farm premises.
- b. Includes Personal and Advertising Injury (P&AI)

##### **Scope of Coverage**

- 1) False Arrest, Detention or Imprisonment, or Malicious Prosecution.
- 2) Libel, Slander, Defamation, or Violation of Right of Privacy.
- 3) Wrongful Entry or Eviction or other invasion of Right of Private Occupation.
- 4) Use of another's advertising idea.
- 5) Copyright infringement.
- c. Includes coverage for newly acquired farming premises.
- d. May be written for various entities including corporations, partnerships, limited liability companies, individuals, or combinations of these.
- e. Includes coverage for liability arising out of certain model aircraft.
- f. **Exclusions**

This insurance, including the duty to defend suits, does not apply to:

	<u>BI</u>	<u>PD</u>	<u>P&amp;AI</u>
1. Expected or intended injury	X	X	X
2. Contractual liability	X	X	X
3. Laws	X	X	X
4. Employers' liability	X		
5. Employment-related practices	X		X
6. Abuse or molestation	X		X
7. Communicable diseases	X	X	
8. Controlled substances	X	X	
9. Pollution	X	X	X
10. Release or discharge from aircraft	X	X	
11. Aircraft, auto, and recreational vehicles	X	X	
12. Watercraft	X	X	
13. Transporting mobile equipment and speed contest	X	X	
14. Use of livestock or other animals	X	X	
15. Business pursuits and professional services	X	X	X
16. Custom farming, custom feeding, and farm management	X	X	
17. Property that is not an insured location	X	X	
18. Buildings under construction	X	X	
19. Bodily injury to any insured	X		
20. Cross suits/claims by insureds		X	
21. Property owned or under control of insured		X	
22. Insured's product and work, impaired property		X	
23. Withdrawal or recall of product/work		Any damages	
24. Failure of seed		X	
25. Asbestos, electro-magnetic emissions, lead, and radon	X	X	

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	<u>BI</u>	<u>PD</u>	<u>P&amp;AI</u>
26. Bodily injury arising out of personal and advertising injury	X		
27. War	X	X	
28. False publication of material by insured			X
29. Failure of products or services to conform with any statement in advertisement			X
30. Wrong description of products or services in advertisement			X
31. Breach of Contract	X	X	X

BI = Bodily Injury    PI = Personal Injury    PD = Property Damage    AI = Advertising Injury

**2. Medical Payment To Others – Coverage J - \$1,000 included**

Provides coverage for reasonable medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury, regardless of fault.

- a. Includes neighborly exchange of assistance.
- b. Exclusions
  - 1) Coverage does not apply to any insured.
  - 2) Coverage does not apply to farm employees.
  - 3) Any person eligible to receive benefits under workers' compensation, non-occupational disability, or occupational disease laws.
  - 4) Injuries due to acts of war.
  - 5) Any person if the bodily injury is excluded under Coverage H - Farmers Liability Coverage.

The standard medical payments limit of \$1,000 may be increased for an additional charge. Please refer to the farm liability rate pages for limit options and the corresponding charge.

**3. Additional Coverages**

**a. Supplementary Payments – Coverage H and I**

- 1) Includes the following with respect to any claim we investigate or suit we defend:
  - a) All expenses we incur.
  - b) Up to \$500 for bail bonds required because of traffic accidents or violations to which Coverage H applies.
  - c) The cost of bonds to release attachments within the applicable limit of insurance.
  - d) Reasonable expenses incurred by an insured at our request.
  - e) Costs taxed against the insured in a suit.
  - f) Prejudgment interest awarded against any insured on that part of the judgment we pay.
  - g) Interest which accrues on the covered portion of any judgment after entry of the judgment.

**b. Damage To Property of Others**

\$2,500 coverage per occurrence for damage caused by an insured.

**c. Fire Legal Liability**

Includes limited property damage coverage up to \$100,000 per occurrence for property damage to premises used, rented, or operated by the insured as part of the farm operation, but not property damage to premises owned by the insured. Each occurrence is subject to a \$250 deductible. If the policy limit of \$100,000 needs to be increased, schedule the structure as you would an outbuilding and insure it for its full value.

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**d. Loss Assessment Coverage**

Coverage up to \$1,000 is provided to pay for the insured's share of any loss assessment charged against the insured by a corporation or association of property owners when the assessment is made as a result of an occurrence to which the Farm Liability Coverage would apply.

**4. Premium Development**

- a. Premium charge is determined based upon total acres and limit of insurance.
- b. Premium charge is adjusted by factors based upon:
  - 1) Lessor's risk only exposures;  
A landlord may qualify for a reduced rate shown in the Farm Liability Rates section when the insured:
    - a) does not reside on any of the described premises and
    - b) does not have any financial interest in any livestock on the premises and
    - c) does not have physical operating control of the premises described.
  - 2) Livestock exposures; and
  - 3) Livestock Escape Surcharge program.  
A large share of claims are caused by livestock of the insured outside the confines of the insured farm. This surcharge program is to penalize the careless insured. The program is as follows:
    - a) Loss experience is applicable only to those losses caused by livestock.
    - b) Loss experience used to determine the surcharge will be the last policy year.
    - c) The surcharge will apply only to the livestock liability portion of the liability premium.
    - d) Only paid claims will be used to determine the surcharge.
    - e) The surcharge will be imposed on the renewal and will remain in effect for one year.  
The livestock escape surcharge schedule is as included in the Farm Liability Rates section.
    - f) A claim may disqualify an insured from future coverage depending on individual circumstances.
  - 4) CountryChoice® (Small/Hobby Farm) exposure – A risk meeting the criteria for a hobby farm will have a separate liability factor applied. Refer to the Farm Property and Farm Liability General Rules section for eligibility guidelines. Refer to the Farm Liability Rates section for the applicable factor.
- c. The medical payments to others limit can be increased for an additional charge.
- d. Optional endorsements can be added and charged for as indicated in the Farm Liability Rate section.

**B. OPTIONAL COVERAGES**

**1. Additional Insured Location (FL 706 43)**

This endorsement provides coverage for premises not on the farm such as a seasonal location.

**2. Additional Insureds**

- a. **Additional Insured – Designated Operation, Location, Or Equipment (FL 706 10)**  
This endorsement changes the definition of insured to include the person or entity named on the endorsement, but only with respect to liability arising out of the described operation, location, and/or equipment. Additional insureds named on this endorsement will fall into one of five categories:
  - 01 Managers or Operators of Premises
  - 02 Lessor of Leased Equipment (No Charge)
  - 03 Owners of Concessions
  - 04 Owners of Land Leased by Our Insured (No Charge)
  - 05 Fiduciaries (No Charge)

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Three of these Additional Insured categories do not generate an additional premium. Managers or operators of premises and owners of concessions (persons or organizations who rent buildings for weddings, receptions, or parties, for instance) increase our liability exposure when added to the policy, so an additional premium is charged. This endorsement does not provide personal activities coverage.

The operation or activity the Additional Insured is involved in must be described on the endorsement, so it is important to determine that the operation or activity is one intended to be covered by the Farm Liability Coverage Form. If uncertain, contact your Farm Underwriter as General Liability coverage may be required.

**b. Additional Insured – Designated Person or Entity – Your Farming Operation and Insured Location (FL 706 38)**

This endorsement changes the definition of insured to include the person or entity named on the endorsement, but only with respect to liability arising out of the insured's farming operations or the insured locations. It does not provide personal activities coverage.

No additional premium is associated with the application of this endorsement.

The name and address of the person or entity must be described on the endorsement. It is important to be certain that there is an insurable interest and specifically what that interest is.

**c. Additional Insured – Personal Activities Only (FL 706 35)**

A variety of people may be added to the policy as Additional Insureds and have personal activities coverage extended to them. Persons who may be eligible for this coverage include:

- 1) Adult family members living on the premises.
- 2) Adult relatives of the insured living on the premises.
- 3) Partners and their families and relatives.

In order to qualify, the named individual(s) must be living on an insured location, and a Nationwide Company must provide the primary insurance for both property and liability. Relatives living off a farm location and not involved in the operation of the farm need to have a separate policy issued to them.

Any adult family member or relative (21 years old or older) residing in the same household as the insured is considered an insured for farming activities, and no endorsement is required.

These persons should be identified, however, as an additional personal activities charge is made for the liability exposure they present under the FL 706 35.

Considerations:

- 1) Include the name and address of all persons requiring this coverage.
- 2) For policies having multiple named insureds, no endorsement will be generated. An additional charge will be made for the personal activities coverage when appropriate.

**d. Additional Insured – Residence Premises (FO 707 06)**

This endorsement is used to identify persons or organizations that have an insurable interest in a specific residential dwelling and appurtenant private structures covered by the policy. Stated on the endorsement is the name and address of the additional insured as well as a description of the property they have an interest in. No additional premium is charged.

**e. Additional Insured – Vendor Of Your Product (FL 706 34)**

This endorsement extends the definition of insured under the Farm Liability Coverage to include vendors of the insured's product but only with respect to bodily injury and property damage arising out of the insured's product which are distributed or sold in the regular course of the vendor's business. Refer to the endorsement for coverage provisions.

Note: For policies having multiple vendors, a charge will be made for each vendor.

The name and address of the vendor and the type of product must be provided for this endorsement.

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**3. Additional Residence Rented To Others (FL 706 02)**

All dwelling units in excess of one dwelling unit that are situated on an insured location require an additional liability charge regardless whether insured for property coverage or not. There are two premium categories:

- 1) Insured Occupied Dwellings
- 2) Employee or Renter Occupied Dwellings

The premium charged for additional dwelling units will be added to the basic liability premium charge. Submit an unbound application to your Farm Underwriter the following for consideration:

- 1) Insured owned and occupied and containing more than two family units.
- 2) Farm rentals or employee housing containing more than six family units.
- 3) Non-farm rentals containing more than four family units.
- 4) Non-farm rentals when the total exceeds eight.

**4. Agricultural Unmanned Aerial Systems Liability Extension (FL 703 31)**

Liability coverage is provided for Unmanned Aerial Systems while being used in precision agricultural operations. The unmanned aerial system means an aircraft; either fixed-wing or rotary-wing, without a human pilot on board and weighing less than 20 pounds. The flight of the unmanned aerial system is controlled by computers in the aircraft or under the remote control of a pilot on the ground.

Precision agricultural operations are defined as aerial imaging (includes photographic, video, and infrared images), data acquisition and mapping. Precision agricultural operations do not include the aerial applications of chemicals.

This is an optional endorsement provided for the insured's. There is no charge for this endorsement.

**4.1. Aircraft Dusting, Spraying, Or Seeding By Independent Contractor**

Provides liability for Bodily Injury or property damage for each occurrence for claims from aircraft operations only when performed by an independent contractor. Coverage protects the farmer insured only and does not apply to any chemical application by the farmer insured himself. Coverage applies only to the application of chemicals on an insured location.

All farm insureds should be cautioned to be sure that all persons or firms hired for any purposes are truly independent contractors under the laws of their states and also that proper and sufficient insurance is in force for the work to be done.

Coverage does not apply to operations which:

- a. are performed by an unlicensed contractor;
- b. are performed at a time or place prohibited by federal, state, or local authority; or
- c. involve the use of a substance prohibited by a federal, state, or local authority.

Coverage options include four limits of insurance. See Farm Liability Rate section for charge.

- |             |   |
|-------------|---|
| (FL 706 11) | Limited Aircraft Dusting, Spraying, or Seeding<br>\$5,000 limit                   |
| (FL 706 41) | Limited Aircraft Dusting, Spraying, or Seeding<br>\$50,000 limit                  |
| (FL 706 12) | Limited Aircraft Dusting, Spraying, or Seeding<br>\$100,000 limit                 |
| (FL 706 13) | Aircraft Dusting, Spraying Or Seeding<br>Limit of Liability Shown on Declarations |

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**5. Beekeeping** (FL 703 10)

Liability coverage is provided for pollination bees and honey production bees. Information regarding the number of colonies maintained is required. Premium for this exposure is developed based on the receipts derived from this activity.

If the receipts from the Beekeeping Operation exceed \$20,000 annually, contact your Farm Underwriter for binding authority and rates.

The Beekeeping Operation receipts will be reviewed annually, and if a change in receipts is necessary, the change will be effective at the beginning of the reporting period. The renewal will be updated to reflect the new receipt category.

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**ELIGIBILITY:**

- a. The primary dwelling must be insured occupied;
- b. The beekeeping equipment and supplies must be kept on a premise owned and solely occupied by the insured, preferably the same location at which the primary dwelling is located. No rented space or multiple occupancy buildings are acceptable.
- c. The insured must have a minimum of five years of beekeeping experience.
- d. Only bulk wholesale, "Roadside Stand" sales, or "Farmers Market" sales are allowed. Retail sales outside the roadside stand/farmers market or wholesale sales of packaged and labeled honey are ineligible. The Roadside Stand or Farmers Market endorsements may be needed.
- e. All beekeeping activities must take place inside the primary rating state.
- f. No sale of bee pollen is allowed.

The agent may contact the farm underwriter for consideration of any beekeeping exposures falling outside these eligibility guidelines that the agent considers desirable business.

**CONSIDERATIONS:**

- a. Submit an unbound application if the insured processes honey in any way (extracting honey from the comb is not considered processing), or if the insured packages or sells pollen retail.
- b. Add Roadside Stand and/or Farmers Market coverage if the insured sells honey retail.
- c. Submit an unbound application if the insured transports his bees out of state or outside of a 300-mile radius.
- d. The number of colonies the insured maintains will be reviewed and updated annually.

The locations at which the insured's hives are temporarily located and which the insured does not actually rent or lease do not need to be scheduled. If the bees are temporarily on a premise for the purpose of pollination, our liability exposure arises out of the operation of the hives and not the premise at which they are located. Any owned, rented, or leased locations of the insured's must be scheduled.

**6. Blanket Acres Coverage (FO 707 01)**

Blanket Acreage Coverage may be written to cover all "acreage only" farming locations. Coverage does not apply to locations with dwellings or where there are structures not used exclusively for farming purposes.

This coverage may be desirable for insureds whose locations frequently change.

**7. Employee Benefits Liability Coverage (FL 706 95)**

- a. The Employee Benefits Liability Coverage may be attached to the Farm Liability Coverage Form to provide coverage against claims for damages because of the insured's negligent acts, errors or omissions committed in the administration of an employee benefit program. The coverage under the endorsement is provided on a claims-made basis.
- b. Retroactive Date - The retroactive Date is a specific date entered in the Schedule (8110) of the endorsement. Any negligent act, error or omission first committed prior to the Retroactive Date is not covered, even if a claim is first received and recorded during the policy period or any applicable Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:
  - 1) If there is a change in carrier;
  - 2) If there is a substantial change in the insured's operations which results in the increased exposure to loss;
  - 3) If the insured fails to provide the company with information:
    - a) The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or

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- b) Which was requested by the company; or
- 4) At the request of the insured.

Prior to the advancement of the Retroactive Date under any of these conditions, the company must obtain the written acknowledgment of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Extended Reporting Period Endorsement For Employee Benefits Liability Coverage.

If "none" is entered in the Schedule (8110) of the endorsement, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for damages because of negligent acts, errors or omissions occurring prior to the inception date of the endorsement.

- c. Extended Reporting Period Option - This option is available if the Employee Benefits Liability Coverage Endorsement is cancelled or not renewed by the company or the company renews or replaces the endorsement with insurance that has a Retroactive Date later than the date shown in the Schedule of the endorsement or does not apply to a negligent act, error or omission on a claims-made basis. It provides for a five year extension for the reporting of claims for negligent acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the endorsement's Schedule. The Named Insured must request this endorsement in writing within 60 days after the end of the policy period.

If the Extended Reporting Period is purchased, use Extended Reporting Period Endorsement For Employee Benefits Liability Coverage FL 703 14. The premium for the Extended Reporting Period for endorsement FL 703 14 is 1.0 times the last years annual premium for the Employee Benefits Liability Coverage Endorsement.

## 8. Equine Exposures

**General Eligibility Information** - There are many equine exposures that are eligible for the Farm Liability program that do not require additional equine liability coverage. These exposures include:

- a. Farms and ranches with:
  - 1) Owned equine,
  - 2) No boarding or training exposures,
  - 3) No stud services,
  - 4) No equine use by others,
  - 5) No equine related income except for a maximum of two foal sales per year,
  - 6) Fences adequate for equine and maintained in good condition.
- b. Livestock ranches when:
  - 1) Equine are used for herding only,
  - 2) There are no equine sales or equestrian activities,
- c. Equine farms with miniature equine.

### Non-Owned Equine

- a. **Equine Breeding-Training-Boarding Operations** (FL 706 30)

Exposures not stated above in a. do require additional coverage beyond that provided by the basic Farm Liability policy. The Equine Breeding-Training-Boarding Operations endorsement provides liability coverage as described below:

- 1) Breeding Farms
  - a) The insured owns or keeps equine on premises for breeding purposes;
  - b) Stud services may be provided;
  - c) Use of equine on premises is limited to:
    - 1) Insured's and employee's use; and

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- 2) Guests of insured coming on premises to use insured's equine (no public riding of equine for hire);
- d) Boarding of equine is not conducted on premises, other than mare-care;
- e) Riding instruction or lessons are not conducted by an insured of this policy;
- f) Exhibitions are not conducted;
- g) Training of equine is Incidental to the breeding operations;
- h) Must meet the eligibility rules shown below.
- 2) Boarding Farms With Or Without Equine Training
  - a) The insured provides feeding and pasturing facilities for equine of others;
  - b) Use of equine on premises is limited to:
    - 1) Insured's and employee's use;
    - 2) Guests of the insured coming on premises to use insured's equine; and
    - 3) Owners of equine boarded on premises;
  - c) Public use of equine for hire is not conducted;
  - d) Riding instruction or lessons are not conducted by an insured of this policy;
  - e) Exhibitions are not conducted;
  - f) Training of equine of others is provided on a regular basis (Boarding with training only);
  - g) Owners gaining instruction as part of the training process (Boarding with training only);
  - h) Must meet the eligibility rules shown below.

**Eligibility**

- 1) Insured must have been in the business for at least 3 years.
- 2) Insured may own or lease the farm.
- 3) While riding on premises, owners of boarded equine must wear a helmet at all times. A signed helmet waiver may be acceptable for those over age 18, but cannot be waived for those under 18, even by a parent. The helmet waiver must be written in accordance with state statute. The insured must maintain copies of the signed helmet waivers. A sample helmet wavier must be included with the application.
- 4) All boarders must sign a liability waiver and the insured must maintain copies. The liability waiver must be written in accordance with state statute. A sample liability waiver must be included with the application.
- 5) Insured must have warning signs posted in conspicuous locations at the premises, in accordance with state statute.
- 6) Insured must be fully aware of the Equine Activity Liability Act for their state and in full compliance of all aspects including waiver and sign requirements.
- 7) Insured's whose boarding or breeding operation has riding lessons or instruction conducted by a party who IS NOT an insured on this policy provided:
  - a. The provider of riding lessons or instruction has a minimum liability limit of \$1 million with an insurer with a minimum AM Best rating of 'A'. Written proof of coverage (i.e. certificate of insurance) is required with business submission.
  - b. A copy of a current hold harmless agreement that exists between our insured and the provider of riding lessons or instruction is submitted. Current means the agreement has been updated annually and a copy submitted with each renewal.
  - c. Our insured is listed as an "additional" insured on the policy of the provider of riding lessons or instruction.
  - d. The provider of riding instruction or lessons has a minimum of 3 years experience.

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**Ineligible Risks**

- 1) Farms that are subsidiary operations of large corporations.
- 2) Equine ownership syndicates.
- 3) Wild equine sanctuaries.
- 4) Race tracks or polo fields - This does not preclude coverage of farms where equine are trained on a private track.
- 5) Operations that sponsor or permit "jackpot" or other competitions on the premises.
- 6) Trainers who do not own or lease farms and whose sole equine-related income is from training for hire.
- 7) Clubs, including riding clubs.
- 8) Pack or trail riding operations.
- 9) Risks with multi state operations.
- 10) Brokers or agents who principally engage in the sale of mature equine.
- 11) Equine show liability, including judge's liability.
- 12) Rodeo liability.
- 13) Mortality coverage.
- 14) Equine surgery.
- 15) Commercial equine liability.
- 16) Pleasure and show equine liability.
- 17) Race equine owners liability.
- 18) Riding lessons or training of riders when this instruction is provided by an insured of this policy.
- 19) Equine trainers professional liability.
- 20) Boarding or breeding operations that do not obtain signed waivers, both liability and helmet, from all clients.

**Application for Coverage**

Equine risks may be submitted unbound for consideration. The exposure must be fully described on the completed Equine Questionnaire. The helmet and liability waiver forms used and photos of warning signs must be included with the application. We reserve the right to pre-inspect the risk prior to binding. If a risk is accepted, it may be subject to an annual audit and/or inspection.

Coverage is available for three categories of exposure:

- Breeding farms
- Boarding farms without training
- Boarding farms with training of horses

**b. Equine Care, Custody, and Control (FL 706 31)**

The purpose of this endorsement is to provide a limited exception to the property damage exclusion contained in the Farm Liability Coverage Form. This endorsement grants limited property damage coverage for equines of others in the insured's care, custody or control.

Refer to the endorsement for actual coverage provisions and exclusions. Eligible risks must include the Equine Boarding Operations Endorsement (FL 706 30).

Coverage is written with a maximum recovery limit for any one animal, any single occurrence and an annual aggregate which are additional limits of insurance. There are four (4) recovery limit options available. Only one option may be selected per policy. Coverage must be provided using one of the listed available options; interpolation is not allowed. The number of horses must match the number used to determine the Equine Boarding Operations Charge. Refer to the Farm liability Rates section for the recovery limit options.

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**9. Extended Custom Farming Operations (FL 706 06)**

Custom Farming is defined as the performance of one or more agricultural operations for and under the direction and control of another for a fee pursuant to any contract or agreement whether written or oral. Custom Farming is automatically covered by the Farm Liability contract and no additional premium is charged until the annual receipts from Custom Farming exceed \$5,000. When the annual receipts exceed \$5,000, the insured is charged a premium based upon a rate per \$1,000 of Custom Farming receipts and the limit of liability. This endorsement removes the exclusions for care, custody, and control, incorrectly performed work, damage to your work, and damage to impaired property.

Custom Farming Coverage is not permitted for the following operations:

- 1) agricultural burning.
- 2) the use of explosives.
- 3) the grading of land, excavating, contouring, burrowing, filling, back-filling, tunneling, pile driving, coffer dam work, or caisson work.
- 4) moving, shoring, underpinning, razing or demolition of any building or structure, or removal or rebuilding of any structural support of any building or structure.
- 5) machine repair work, including welding, away from the insured location.
- 6) managing or controlling a farm operation under a farm management contract or agreement, whether written or oral.
- 7) custom spraying or application of herbicides, pesticides, or fertilizers of any kind.

Considerations:

- 1) If the receipts from Custom Farming exceed \$50,000 annually, contact your Farm Underwriter for binding authority and rates. Coverage may need to be written on a Commercial General Liability Coverage Form.
- 2) The Custom Farming receipts may be reviewed annually, and any necessary audit adjustment will be made effective at the beginning of the reporting period.
- 3) Coverage should not be bound for insureds who are purely Custom Farmers. The insured should generate only a portion of their income from custom farming.

**10. Farm Employer's Liability And Farm Employees Medical Payments Coverage Endorsement (FL 706 52)**

This endorsement provides legal protection from suits brought by employees injured in the course of their employment and medical payments for those injuries.

**CAUTION:** This coverage is not a substitute for Workers' Compensation. IF WORKERS' COMPENSATION IS REQUIRED BY LAW, this coverage is VOID.

**NOTE:** If Employers Liability Coverage (FL 706 52) is endorsed to the policy, the limit must match the selected Farm Public Liability (Coverage H and I) Limit.

CONSULT THE STATE WORKERS' COMPENSATION LAW for determination of the insureds legal responsibility.

**11. Farm Management Operations**

Farm management is defined as managing the entire or partial operation of an agricultural or aqua-cultural enterprise of another for a fee pursuant to a contract or agreement, whether written or oral, whereby the farm manager directs and administers the culture, care, and/or harvest of that farming operation.

Farm management operations will be written on the Commercial General Liability Coverage Form. There is no coverage for Errors and Omissions for Farm Management businesses.

**12. Farmers Market Sales (FL 706 47)**

Farmers Market Sales is an operation in which the insured participates in a "Farmers Market", "Produce Auction", or similar type of marketing operation principally for the sale of farm products.

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(See **ROADSIDE STAND LIABILITY** if the insured is engaged in other types of direct sales of farm products to the public.)

Farmers Market Sales are fully covered by the Farmowners policy. No additional charge is made if the insured receives \$500 or less annually from this activity. When receipts exceed \$500, an additional premium is charged based upon a rate per \$100 of receipts. Refer to the Farm Liability Rates section.

Eligibility:

- 1) For those insureds whose annual receipts from Farmers Market Sales exceed \$20,000, contact your Farm Underwriter for binding authority and rate. The precise receipts must be known so that a specific premium can be determined.
- 2) Include a photograph of the Farmers Market with the application.
- 3) The Farmers Market receipts may be reviewed annually. If a change in receipts is necessary, it will be changed effective at the beginning of the reporting period. The renewal will be updated to reflect the new receipts.

This coverage is intended to cover those insureds who sell only their own unprocessed products or produce. If there are any sales of processed goods or products of others, contact your Farm Underwriter for consideration.

**13. Farmers Medical Payments Coverage Endorsement (FL 706 01)**

Coverage applies to any named insured, and if residents of his household, his spouse, the relatives of either, and any other person under the age of 21 in the care of an insured provided such individuals are between the ages of 12 and 70 years. It does not apply to such an individual who is also an employee of an insured.

Coverage is excluded for bodily injury:

- 1) Sustained during the performance by the insured of any veterinary service, including artificial insemination, with respect to animals of others;
- 2) Arising out of the maintenance, operation, use, loading, or unloading of aircraft;
- 3) Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- 4) to any insured arising out of and in the course of his employment if any person or organization has a policy providing workers' compensation or occupations disease benefits for such bodily injury or if benefits for such bodily injury are in whole or in part either payable or required to be provided under any workers' compensation or occupation disease law.

**14. Farm Office Coverage Endorsement (FO 707 07)**

Addition of this endorsement provides liability coverage and a \$5,000 limit for office equipment coverage for farm business offices located off an insured location. The office may not be used in any business other than farming or be open to the general public.

The limit of liability purchased must be equal to the policy liability limit. If additional property coverage is required, it is available as a Farm Personal Property category.

The location address or location description must appear on the endorsement only. Do not add the office as a scheduled location.

**15. Firewood Sales (FL 706 45)**

Coverage needs to be endorsed and an additional premium charged when an insured sells firewood. The premium is developed based on the annual receipts from firewood sales. Receipts from firewood sales are reviewed annually, and the premium adjusted effective the beginning of the reporting period. The charge for the renewal policy period will be the same as the adjusted prior policy period.

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This endorsement can be added to a Farmowners policy only when firewood sales are incidental to the insured's farming operation. Delivery may be either U-haul, where the buyer loads and hauls the firewood, or the wood may be delivered by the insured to the buyer.

Coverage is not available for insureds that allow the buyer to cut his own firewood or operate any machinery for the purpose of cutting, splitting, or loading the firewood. Coverage is also not available for insureds selling firewood from locations that are not described farm locations.

**16. Limited Farm Pollution Liability Coverage Endorsement (FL 703 11)**

This optional endorsement replaces the pollution exclusion that applies to the Farm Liability Coverage Form. This endorsement has three separate parts to the coverage. However, Part 1 or Part 2 is needed to be eligible for Part 3. Separate occurrence and aggregate limits, subject to the policy general aggregate, are stated in the Schedule of Limits of Insurance. A deductible also applies to each coverage part if stated in the Schedule of Limits of Insurance. Additionally, there is a total endorsement coverage aggregate that includes Parts 1, 2 and 3 (subject to policy aggregate).

**a. Part 1 – Chemical Application, Storage, and Non-Auto Transportation Liability Coverage**

- 1) Part 1 of this endorsement provides limited bodily injury or property damage coverage for a "covered farm chemical incident" and includes only the application of "farm chemicals" on, at, or from an owned, rented, or leased premises to crops by some means other than aircraft; around the "residence premises", farm buildings, outbuildings, or structures; stored, other than in underground tank; or transported in other than an "auto".
- 2) Additional coverage is available, if checked on the Schedule of Limits of Insurance, that provides limited bodily injury or property damage coverage for a covered farm chemical application incident such as application of farm chemicals to growing crops by some means other than aircraft away from any premises that you own, lease or rent.

**b. Part 2 – Limited Farm Pollution Liability Coverage**

Part 2 of this endorsement replaces the absolute and total pollution exclusion that applies to the Farm Liability Coverage Form. This endorsement limits the pollution exclusion to:

- 1) Escape of pollutants:
  - a) From underground storage tanks;
  - b) From any premises used for handling, storage, disposal, processing, or treatment of waste;
  - c) From any premises used to perform operations to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize the effects of pollutants; or
  - d) Which are or were at any time transported, handled, stored, treated, or otherwise disposed of or processed as waste;
- 2) Release of pollutants from an aircraft; or
- 3) Any loss, cost, or expense arising out of any request, demand, or order to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize the effects of pollutants.
- 4) Optional Waste Coverage under Part Two Limited Farm Pollution Liability Coverage is also available if checked on the Schedule of Limits of Insurance. This endorsement clarifies that the exclusion for escape of pollutants from underground tanks does not include escape from tanks and piping used for storage or movement of manure, and that manure from livestock, poultry, or other animals is not waste.

**c. Part 3 – Farm Environmental Damage Clean Up Coverage**

- 1) Part 3 of this endorsement provides a limited coverage for Farm Environmental Damage Clean-up Cost for environmental damage that occurs off the insured location. The total liability for this coverage is the stated "Incident" Limit of Insurance that is shown on the Schedule of Limits of Insurance of this policy.

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All coverages desired and limits selected will be indicated on the Schedule For Limited Farm Pollution Liability Coverage Endorsement (Form 8111). For rates, see Farm Liability rate page section.

**17. Limited Livestock Care, Custody and Control (FL 703 12)**

This Endorsement grants limited property damage coverage for nonowned livestock (other than equine) in the insured's care, custody and control. Refer to the endorsement for actual coverage provisions and exclusions.

Coverage is written with a maximum recovery limit for any one animal, any single occurrence and an annual aggregate which are additional limits of insurance. There are five (5) recovery limit options available. Only one option may be selected per policy. Coverage must be provided using one of the listed available options; interpolation is not allowed. A minimum of \$1,000 deductible will be applied.

The following conditions are required with respect to swine:

1. The contract grower is affiliated with an integrator that has 20 sites or more.
2. There is a written contract between the integrator and the contract grower.
3. A waiver of subrogation is part of the written contract or in place between the integrator and the contract grower.
4. The livestock are insured by the integrator.

**18. Livestock Boarding Operations (FL 706 76)**

This endorsement extends the Coverage H – Bodily Injury and Property Damage Liability and Coverage I – Medical Payments to apply to the boarding of nonowned livestock, other than equine.

Requests for this coverage may be submitted unbound for consideration. The exposure must be fully described including photos of the boarding area and fencing. If a risk is accepted, it may be subject to an annual audit and/or inspection.

**19. Livestock Care, Custody and Control (FL 706 77)**

This endorsement grants limited property damage coverage for nonowned livestock (other than equine) in the insured's care, custody and control. Refer to the endorsement for actual coverage provisions and exclusions. Eligible risks must include the Livestock Boarding Operations Coverage Endorsement FL 706 76.

Coverage is written with a maximum recovery limit for any one animal, any single occurrence and an annual aggregate which are additional limits of insurance. There are four (4) recovery limit options available. Only one option may be selected per policy. Coverage must be provided using one of the listed available options; interpolation is not allowed. The number of animals must match the number used to determine the Livestock Boarding Operations charge.

**20. Limited Product Withdrawal Expense Endorsement (FL 706 94)**

This endorsement provides a limited reimbursement for certain expenses incurred because of a product withdrawal due to a recall or tampering. This coverage has a \$10,000 Aggregate limit and is subject to a \$1,000 per product withdrawal deductible.

**21. Non-Farm Activities Coverage Endorsement (FO 707 34)**

This endorsement covers specified non-farm activities including eligible business employment activities conducted on an insured location. Such activity must be of a minor nature and have no material effect on the insured's income. Coverage is provided for bodily injury and property damage for those activities scheduled on the endorsement up to the policy limit. The Liability Limits and Medical Payments Limits will be the same as under the basic coverage. Property coverage includes \$3,500 for business personal property on the insured location.

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Charges are determined based upon the rating methodologies described below. Examples of eligible non-farm activities are included below for each rating method.

**Non-Farm Activities and Business Employment Activities**

Examples of eligible classes of employment include:

- a. Flat Charge Method: (Annual gross receipts are less than \$5,000)
  - Exposure Group A – Low Risk (Examples: Retail-Non-Food Products, Feed/Seed Dealers, Fertilizer Dealers)
  - Exposure Group B – High Risk (Examples: Retail-Food Products, Snow Removal, Lawn Mowing, Beauty Shop)
- b. Receipt Based Method: (Annual gross receipts are greater than or equal to \$5,000):
  - Exposure Group A – Low Risk (Examples: Retail-Non-Food Products, Feed/Seed Dealers, Fertilizer Dealers)
  - Exposure Group B – High Risk (Examples: Retail-Food Products, Snow Removal, Lawn Mowing, Beauty Shop)

**22. Office Professional, Private School, or Studio Use (FL 706 04)**

When the insured maintains a permissible office, professional, private school, or studio on the premises, the additional premium shall be calculated by adding the appropriate charge from the Farm Liability Rates section to the premium developed for any increase in the building coverage, if any.

Nursery School is defined as children under age six for not more than three hours per day maximum. Over three hours is considered as a day nursery.

This endorsement is intended to provide coverage for incidental business operations which:

- 1) are solely owned by the named insured,
- 2) are conducted entirely on the premises insured by the farm policy, and
- 3) have no operations or locations away from the farm premises and for which no other commercial liability policies apply.

Examples of eligible business operations:

Physicians or Dentists Offices (Must be the only location; Must have Professional Liability Insurance; Professional liability is excluded)

Accountants Office (Must be the only location; Must have Professional Liability Insurance; Professional liability is excluded)

Artists School or Studio

Music School

Specifically NOT eligible:

Day Nurseries

Any business involving the sale or servicing of any product.

Construction or installation risks

Veterinary operations

Any repairing, rebuilding, or manufacturing operations

Any operation with more than two employees.

**23. Orchard U-Pick (FL 706 28)**

A U-Pick Operation is any operation where the public is allowed to pick fruit or vegetables and such person is not an employee of an insured. Premium for this exposure is developed based on the receipts derived from this activity.

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Considerations:

- a. Use of ladders
- b. Receipts in excess of \$20,000 should be referred to commercial lines

The U-Pick Operation receipts should be reviewed annually. If a change in receipts is necessary, it will be changed effective at the beginning of the reporting period. The renewal will be updated to reflect the new receipts.

**24. Property Damage Liability Coverage Deductible (FL 706 36)**

A Property Damage Deductible may be applied to the liability section of the policy. The addition of a deductible will not change the liability rate. The deductible options include:

- \$ 500 Deductible
- \$ 1,000 Deductible
- \$ 2,500 Deductible
- \$ 5,000 Deductible
- \$10,000 Deductible

**25. Recreational Vehicle Liability (FL 706 20)**

Owned recreational vehicles not subject to motor vehicle registration must be specifically scheduled in order to receive liability coverage while off an insured location.

List the type of vehicle (make and model) and the serial or motor number for each vehicle to be scheduled. Only those vehicles specifically listed are covered.

The liability rates for Recreational Vehicles contemplate limited and/or seasonal use. Individual recreational vehicle will not be deleted from coverage unless the vehicle has been sold, destroyed, or disabled.

Liability for all licensed recreational vehicles and snowmobiles should be provided by adding the vehicles to an auto policy. For such vehicles no coverage will be afforded by the Farm Liability policy.

**26. Roadside Stands (FL 706 44)**

Roadside Stand is any operation in which the insured is engaged in the direct sale of farm products to the public. Examples of a Roadside Stand exposure are selling farm products from a stand, off a porch, out of a barn, out of cardboard boxes, and from the back of a pickup truck. (See FARMERS MARKET SALES category if the insured is participating in a "Farmers Market", "Produce Auction", or similar type of marketing operations principally for the sale of farm products.)

Roadside Stand sales are fully covered by the Farmowners policy. No additional charge is made if the insured receives \$500 or less annually from this activity. When receipts exceed \$500, an additional premium is charged based upon a rate per \$100 of receipts. Refer to the Farm Liability Rates section.

**Eligibility**

- 1) For those insureds whose annual receipts from Roadside Stand sales exceed \$20,000, contact your farm underwriter for binding authority and rate. The precise receipts must be known so that a specific premium can be determined.
- 2) Include a photograph of the Roadside Stand with the application.
- 3) The Roadside Stand receipts will be reviewed annually. If a change in receipts is necessary, the change will be effective at the beginning of the reporting period. The renewal will be updated to reflect the new receipts.

This coverage is intended to cover those insureds who sell only their own unprocessed products or produce. If there are any sales of processed goods or products of others, contact your Farm Underwriter to discuss eligibility.

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**27. Rowcrop U-Pick Operation (FL 706 29)**

A U-Pick Operation is any operation where the public is allowed to pick fruit or vegetables and such person is not an employee of an insured. Premium for this exposure is developed based on the receipts derived from this activity.

Considerations:

If the receipts from the U-Pick Operation exceed \$20,000 annually, contact your Farm Underwriter for binding authority and rates.

The U-Pick Operation receipts will be reviewed annually. If a change in receipts is necessary, it will be changed effective at the beginning of the reporting period. The renewal will be updated to reflect the new receipts.

**28. Spoiled Dairy Farm Products - Property Damage To Others (FL 706 99)**

This endorsement provides coverage for property damage to the property of others resulting from commingling or mixing with the insured's deficient or spoiled product. The Spoiled Dairy Farm Products – Property Damage To Others With Shared Loss Provision Coverage Endorsement requires the insured to share in the loss on an equal basis with the company.

(FL 706 99) Spoiled Dairy Farm Products – Property Damage To Others With Shared Loss Provision Coverage Endorsement - \$1,000 Participation

(FL 706 99M) Spoiled Dairy Farm Products – Property Damage To Others With Shared Loss Provision Coverage Endorsement - \$1,000 Participation (available for members only)

**29. Transmissible Spongiform Encephalopathies And Foot And Mouth Disease Exclusion Endorsement (FL 706 72)**

This endorsement excludes payment for loss or damage resulting from Transmissible Spongiform Encephalopathies and Foot and Mouth Disease. This is an optional endorsement.

**30. Watercraft Liability and Medical Payments Coverage**

Please refer to the Pleasure Boatowners manual pages in the personal lines manual for rules and rates. If coverage is desired, submit boat application.

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