

FARM•MATE®

| FARM PROPERTY POLICY |

FARM-MATE® POLICY – INDEX

This policy is a legal contract between you and us. It consists of:

1. “Your” policy Declarations
2. The policy Provisions
3. Any Special Provisions, Endorsements, and Schedules, which “we” issue with “your” policy.

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FARM-MATE[®] POLICY

AGREEMENT

"We" agree with "you", in return for "your" premium payment, to provide insurance subject to all the terms of this policy. The coverages provided, the limits of "our" liability, and the premiums are shown in the Declarations of this policy.

DEFINITIONS

The terms defined in this policy and any endorsements appear in quotation marks (example: " ") or in bold type (example: **bold type**). The term "insured person", used in any endorsement to this policy, has the same meaning as the term "insured" defined below.

1. "You" and "your" mean the individual or entity named in the Declarations. If an individual is named in the Declarations, "you" includes the individual's spouse if living in the same household.
2. "We", "us", and "our" refer to the Association or Company providing this insurance.
3. "Business" means any full-time or part-time trade, profession, or occupation, other than farming.
4. "Farm implement" means machinery or equipment normally used in farming operations and propelled or drawn over land. A "farm implement" does not include a "motor vehicle".
5. "Fungi" means any type or form of fungus including mold or mildew, and mycotoxins, spores, scents, or by-products produced or released by fungi.
6. "Insured" means "you". If "you" are an individual, "insured" also means:
 - a. A person living with "you" and related to "you" by blood, marriage, or adoption;
 - b. A legal ward, foster child, or foreign exchange student living with "you"; or
 - c. A student who is an unmarried and financially dependent relative under the age of 25 if the student lived with "you" immediately before leaving to attend school and qualifies as a full-time student as defined by the school.
7. "Insured premises" means all farm and residence premises described in the Declarations.
8. "Livestock" means cattle, buffalo, beefalo, sheep, swine, goats, horses, mules, and donkeys. "Livestock" also includes any animal specifically listed as "livestock" in the Declarations or scheduled on an endorsement that is attached to and forms part of this policy.
9. "Motor vehicle" means:
 - a. A motorized land vehicle designed for travel on public roads or subject to motor vehicle registration or a compulsory financial responsibility law or regulation issued by a government agency, except a "farm implement";
 - b. A trailer or semitrailer designed for travel on public roads and subject to vehicle registration, except while being towed by a self-propelled "farm implement". A watercraft, lawn or garden trailer not being towed by or carried on a vehicle is not a "motor vehicle"; or
 - c. Any vehicle, except a "farm implement", while being towed by or carried on a vehicle included in **a.** or **b.** above.
10. "Pollutant" or "pollutants" means any substance or product which:
 - a. May be harmful to the health or welfare of animals or humans, when discharged, dispersed, released, or used; or
 - b. Must be cleaned up or remediated in compliance with a law, ordinance, or regulation of a governmental body.
11. "Poultry" means ducks, geese, or chickens kept by any "insured" for sale or use. "Poultry" also includes any other fowl listed and described in the Declarations.
12. "Recreational vehicle" means a motorized land vehicle owned by any "insured" and designed or used for recreational use off public roads, including but not limited to:
 - a. A snowmobile;
 - b. An all-terrain vehicle; or
 - c. A motorized golf cart.

POLICY DEDUCTIBLE

Loss from each occurrence to insured property shall be adjusted separately and the Policy Deductible shown in the Declarations, if any, shall be deducted from the amount of loss. The Policy Deductible will apply unless a different amount is shown in an endorsement or the Special Deductible section of the Declarations.

In the event of loss to two or more items of covered property arising from the same occurrence, the highest deductible applicable will be subtracted from the total loss.

SPECIAL DEDUCTIBLES

The Special Deductible shown in the Declarations, if any, applies to each:

1. Theft or attempted theft occurrence; or
2. Loss to a "farm implement" caused by accidental overturn or collision.

PROPERTY COVERAGES

Only those coverages for which a limit of insurance is shown in the Declarations will apply.

1. DWELLING COVERAGE

"We" cover:

- a. "Your" dwelling(s) including structures and services attached to the dwelling on the "insured premises" as shown in the Declarations and used principally as a private residence. Structures attached to the dwelling by only a fence, utility line, or similar connection, are not considered part of the dwelling. Submersible pumps, fences, and farm buildings are not covered under Dwelling Coverage;
- b. Construction material at the "insured premises" for use in connection with "your" dwelling; and
- c. Permanently installed carpeting in "your" dwelling.

2. HOUSEHOLD PERSONAL PROPERTY COVERAGE

a. Covered Property

"We" cover Household Personal Property owned by any "insured" and located at the "insured premises".

b. Limit For Property Temporarily Away From The "Insured Premises"

"We" also cover Household Personal Property owned by any "insured" while it is temporarily away from the "insured premises". The most "we" will pay is 10% of the limit shown in the Declarations for Household Personal Property Coverage or \$1,000, whichever is greater. This limitation does not apply to Household Personal Property in a newly acquired residence for the first 30 days after "you" begin to move property to the new residence.

c. Special Limits On Certain Household Personal Property

Special limits apply to certain items of personal property. These limits do not increase the amount of insurance under Household Personal Property Coverage. The special limit for each of the following groups of personal property is the maximum amount "we" will pay for any one loss to all property items in that group.

	Maximum Amount	Personal Property Group
1)	\$500	Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, stamps, and philatelic property. This dollar limit applies to these categories regardless of the medium used, such as paper or computer software on which the material exists.
2)	\$500	Watercraft including their trailers, furnishings, equipment, and out-board motors.
3)	\$500	Cemetery markers, headstones, and urns.
4)	\$500	Jewelry, watches, precious and semi-precious stones, silverware, goldware, pewterware, and furs.
5)	\$500	Antiques.
6)	\$500	Collectibles and fine arts.
7)	\$500	Firearms and related equipment.
8)	\$3,000	Lawn or garden tractors and lawn mowers, including their trailers, accessories, parts, and tires.
9)	\$1,500	Electronic data processing equipment and the recording or storage media used with that equipment. Recording or storage media will be covered only up to: <ol style="list-style-type: none">a) The retail value of the media, if preprogrammed; orb) The retail value of the media in blank or unexposed form, if blank or self-programmed.
10)	\$250	Satellite dish system components located inside the dwelling.

Maximum Amount	Personal Property Group
11) \$1,000	<p>"Business" property while on the "insured premises". This includes tools, inventory held for sale or resale, and property used for demonstration if these items are or were used:</p> <ul style="list-style-type: none"> a) For "business"; or b) By any "insured" in any manner for "business" in the prior 12 months.
12) \$250	<p>"Business" property while off the "insured premises". This includes tools, inventory held for sale or resale, and property used for demonstration if these items are or were used:</p> <ul style="list-style-type: none"> a) For "business"; or b) By any "insured" in any manner for "business" in the prior 12 months.
13) \$1,000	Bicycles including accessories, parts, and tires.

d. Property Not Covered

"We" do not cover:

- 1) Articles separately described and insured specifically, regardless of the limit for which they are insured, in this or other insurance;
- 2) Animals, insects, birds, or fish;
- 3) "Motor vehicles" including but not limited to stock cars, racing cars, or "recreational vehicles" including:
 - a) Their accessories, equipment, and parts, whether or not these items are attached to the "motor vehicle" or "recreational vehicle";
 - b) Any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving, or reproduction of sound or electronic signals which may be operated by power from the electrical system while in or upon a "motor vehicle" or a "recreational vehicle"; or
 - c) Any tape, wire, record, disc, or other medium for use with any such device or instrument while any of this property is in or upon a "motor vehicle", "recreational vehicle", or "farm implement";

- 4) Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- 5) Property of roomers, boarders, and other tenants, except property of roomers and boarders related to any "insured";
- 6) Furnishings in a dwelling rented or provided to others unless the Household Personal Property at that location is shown in the Declarations;
- 7) Property rented or held for rental to others by any "insured";
- 8) Farm personal property under this coverage;
- 9) "Business" data including such data stored in:
 - a) Books of account, drawings, or other paper records; and
 - b) Computers and related equipment.

"We" do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;
- 10) Loss that results from credit cards, electronic fund transfer cards, or access devices used solely for deposit, withdrawal, or transfer of funds;
- 11) Water or steam; and
- 12) Camping trailers, camper bodies, pickup toppers and trailers, except lawn or garden trailers.

3. ADDITIONAL LIVING EXPENSE AND LOSS OF RENTS COVERAGE

a. Additional Living Expense

If a loss covered under Property Coverages makes the dwelling on the "insured premises" where "you" reside not fit to live in, "we" cover any necessary increase in living expenses incurred by "you" so that "your" household can maintain its normal standard of living.

"We" will pay for the lesser of:

- 1) The shortest time required to repair or replace the damage or, if "you" permanently relocate, to find permanent alternative accommodations; or
- 2) One year from the date of loss.

b. Fair Rental Value

If a loss covered under Property Coverages makes that part of the “insured premises” rented to others or held for rental by “you” not fit to live in, “we” cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment under this coverage will be for the shortest time required to repair or replace the damaged property, not to exceed one year from the date of loss.

c. Civil Authority Prohibits Use

If a civil authority prohibits “you” from use of the “insured premises” as a result of direct damage to neighboring premises by a Peril Insured Against, “we” cover the loss as provided in **a. Additional Living Expense** and **b. Fair Rental Value** above, for no more than two weeks.

d. Loss Or Expense Not Covered

“We” do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under **a. Additional Living Expense**, **b. Fair Rental Value**, and **c. Civil Authority Prohibits Use** above are not limited by expiration of this policy.

4. FARM BUILDINGS COVERAGE

“We” cover “your” farm buildings, structures, and portable buildings located on the “insured premises” when specifically listed in the Declarations with a limit of insurance shown. “We” also cover attached sheds, permanent fixtures, and permanently installed equipment. “We” will not cover any items under this coverage part that are specifically insured elsewhere in this policy or by endorsement.

This coverage does not apply to silos unless specifically listed in the Declarations with a limit of insurance shown, whether or not attached to a farm building or structure.

5. SCHEDULED FARM PERSONAL PROPERTY COVERAGE

“We” cover farm personal property usual and incidental to the operations of “your” farm, when specifically listed in the Declarations with a limit of insurance shown. Coverage is provided while the property is on or temporarily away from the “insured premises”, subject to the terms and conditions stated below.

Farm personal property includes property for which any “insured” has a financial interest.

a. Borrowed Farm Machinery And Equipment

If borrowed farm machinery and equipment is scheduled in the Declarations with a limit of insurance shown, “we” will cover loss or damage to borrowed farm machinery and equipment:

- 1) That is usual or incidental to the farming operations;
- 2) That is in the care, custody, and control of the “insured” or any “insured’s” employees while being used in “your” farming operations; and
- 3) In which the “insured” has no interest as owner or lienholder.

This coverage does not apply to “motor vehicles”, “recreational vehicles”, watercraft, aircraft, camping trailers, camper bodies, pickup toppers, or lawn or garden equipment or to their trailers, accessories, parts, tires, tubes, treads, or tracks.

Coverage for Borrowed Farm Machinery and Equipment is primary. The Other Insurance clause does not apply.

b. Replacement Of Insured “Farm Implements”

This policy covers “farm implements” acquired to replace specifically insured “farm implements”.

- 1) When “you” replace specifically insured “farm implements”, the limit of insurance is increased by an additional 25% of the amount specified for the replaced item(s), but not to exceed the actual cash value of the replacement.
- 2) The additional 25% limit for the replacement item(s) will end:
 - a) 30 days after the date of purchase of the replacement item; or
 - b) On the expiration of the policy period whichever occurs first.
- 3) This special limit of coverage applies only to the extent that the replacement item is not covered under any other coverage of this or any other policy.
- 4) “You” are required to pay any additional premium due from the purchase date of the replacement item. The additional premium shall be only for the amount of the special limit of coverage that applies under this section. “You” are also required to provide “us” with the correct description and value of any replacement item.

c. Non-Specified Farm Machinery, Equipment, And Tools Coverage

When a limit for Non-Specified Farm Machinery, Equipment, and Tools Coverage is shown in the Declarations, “we” cover “farm implements” and tools usual and incidental to the operation of the farm while on or temporarily away from the “insured premises”, when owned by any “insured”. “We” will not pay more than 10% of the limit of insurance shown in the Declarations for any one item.

“We” do not cover:

- 1) Portable buildings or portable structures;
- 2) Equipment permanently installed in farm buildings or structures;
- 3) “Motor vehicles”, “recreational vehicles”, watercraft, aircraft, camping trailers, camper bodies, pickup toppers, lawn or garden equipment or their trailers, accessories, parts, tires, tubes, treads, or tracks;
- 4) Leased, rented, or borrowed equipment and machinery;
- 5) Irrigation equipment including wells, pumps, transmission lines, and wiring;
- 6) Sawmill equipment; or
- 7) Property specifically described and insured by this or any other insurance.

d. “Livestock” Or “Poultry”

1) “Livestock”

“We” cover loss to “livestock” for which a description and a limit of insurance is shown in the Declarations. The limits shown in the Declarations apply to covered “livestock” while on or temporarily away from the “insured premises”.

The most “we” pay for loss to any one head of “livestock” is the smallest of the following amounts:

- a) The actual cash value of the “livestock” at the time of loss;
- b) The limit of insurance per head for each class or type of “livestock” shown in the Declarations; or
- c) The proportion that the limit of insurance for that class and type of “livestock” bears to 80% of the actual cash value of the total number owned by “you” and covered by this insurance at the time of loss.

2) “Poultry”

“We” cover loss to “poultry” for which a description and a limit of insurance is shown in the Declarations. The limit of insurance for “poultry” shall not exceed the smallest of the following amounts:

- a) The actual cash value of each bird at the time of loss; or
- b) The limit of insurance shown in the Declarations as the maximum per bird.

6. UNSCHEDULED FARM PERSONAL PROPERTY COVERAGE

a. Coverage

When a limit of insurance is shown in the Declarations for Unscheduled Farm Personal Property Coverage, “we” cover farm personal property usual and incidental to the operation of the farm, while on or temporarily away from the “insured premises”, when owned by any “insured”.

“We” do not cover:

- 1) Turkeys, fish, birds, race horses, or animals other than “livestock” and “poultry”;
- 2) Portable buildings or portable structures;
- 3) Permanently installed equipment in farm buildings or structures including fences, corals, pens, chutes, and yard fences;
- 4) “Motor vehicles”, “recreational vehicles”, watercraft, aircraft, camping trailers, camper bodies, pickup toppers, or lawn or garden equipment or their trailers, accessories, parts, tires, tubes, treads, or tracks;
- 5) Household Personal Property;
- 6) Leased, rented, or borrowed equipment or machinery;
- 7) More than the limit shown per head in the Declarations for “livestock”;
- 8) Irrigation equipment including wells, pumps, transmission lines, and wiring;
- 9) Windmills and windchargers, including their towers;
- 10) Permanent outside electrical wiring and equipment;
- 11) Sawmill equipment; or
- 12) Property specifically described and insured by this or any other insurance.

b. Coinsurance Requirement For Unscheduled Farm Personal Property Coverage

“You” must maintain insurance on the property covered for at least 80% of actual cash value at the time of the loss. If “you” fail to do this, “we” will pay the percentage of loss produced by dividing the amount of insurance carried by the amount “you” should have carried.

OPTIONAL COVERAGES

These Optional Coverages apply only if there is a limit of insurance shown in the Declarations for the specific type of property.

1. Permanent Outside Electrical Wiring And Equipment

This includes poles, switch boxes, fuse boxes, underground wiring, electrical equipment mounted on poles, and outside wiring including attachments, owned by any “insured” and located on the “insured premises”.

2. Submersible Pump Motors

This includes submersible well pump motors and attached electrical components. “We” will not cover any motor or electrical component that is not directly damaged by a Peril Insured Against.

ADDITIONAL COVERAGES

1. Debris Removal

“We” will pay up to 10% of the amount payable for damage to covered property for reasonable expenses incurred to remove debris of covered property, following a loss from a Peril Insured Against.

The total amount payable by “us” for both direct physical loss to property and debris removal may not exceed the limit of insurance shown in the Declarations for the damaged or destroyed property.

This coverage does not include costs to extract “pollutants” from land or water, or to remove, restore, or replace polluted land or water.

2. Emergency Removal Of Property

“We” will pay for property damaged while being removed or while removed from any premises because of danger from a Peril Insured Against. Coverage is limited to a 30 day period from date of removal. Payments will not increase the limit of insurance applying to the covered property.

3. Necessary Repairs After Loss

“We” will pay the reasonable cost of necessary repairs to protect covered property from additional damage following a loss from a Peril Insured Against. Payments will not increase the limit of insurance applying to the covered property.

4. Construction Of New Building(s)

“We” will pay up to 10% of the total amount of insurance under this policy applying to all dwellings and farm buildings on the “insured premises” following a loss to a newly constructed dwelling or farm building including construction materials and supplies. The loss must be caused by a Peril Insured Against. Coverage under this Additional Coverage ceases 60 days after the first delivery of construction materials or the expiration of the policy period, whichever occurs first. This Additional Coverage applies only to new dwellings or farm buildings being constructed on the “insured premises”.

5. Fire Department Charges

“We” will pay up to the limit of insurance shown in the Declarations for service charges made by a fire department when called to protect “your” covered property from a Peril Insured Against. Payments are in addition to the limit of insurance applying to the loss. No deductible shall apply.

6. Outside Satellite Dish Systems And Radio/Television Equipment

“We” will pay up to 1% of the limit of insurance shown in the Declarations for Household Personal Property Coverage, but no more than \$250, for loss or damage to satellite dish systems including their components, and radio/television equipment located outside the dwelling. The loss or damage must be caused by a Peril Insured Against. This coverage is excess over any other specific insurance provided by this policy or any other insurance.

7. Collapse Coverage For “Farm Implements”

“We” will pay for direct loss to covered “farm implements” caused by collapse of a structure or any part of a structure, if the collapse is caused by one or more of the following:

- a. A Peril Insured Against in this policy;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of contents, equipment, animals, or people;
- e. Weight of rain, snow, ice, or sleet which collects on a roof; or
- f. Use of defective materials or methods of construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

With respect to this Additional Coverage, collapse means an abrupt falling down or caving in of a building or any part of a building. Collapse does not include settling, cracking, shrinking, bulging, or expansion.

This Additional Coverage does not apply to any coverage to the building or structure for collapse.

8. Unharvested Farm Produce Or Grain

"We" will pay up to \$2,500 for loss or damage to unharvested farm produce or grain. This coverage applies only to loss caused by the following Perils Insured Against: Fire, Explosion, Riot or Civil Commotion, Aircraft, Vehicles, Vandalism, or Malicious Mischief.

This coverage applies only if an amount of coverage is shown in the Declarations under:

- a. Scheduled Farm Personal Property for farm produce or grain; or
- b. Unscheduled Farm Personal Property.

This coverage is excess over any other valid and collectible insurance.

PERILS INSURED AGAINST

"We" cover direct loss to insured property caused by:

1. Fire Or Lightning

2. Windstorm Or Hail

This peril includes loss to watercraft including their trailers, furnishings, equipment, and outboard motors only while inside a fully enclosed building.

This peril does not include loss to:

- a. The interior of a building or the property contained in a building caused by rain, snow, sleet, sand, or dust unless the direct force of wind or hail damages the building causing an opening in the roof or wall and the rain, snow, sleet, sand, or dust enters through this opening;
- b. Grain, hay, straw, or other crops outside of buildings; or
- c. Unanchored single cribs, feed bins, or grain bins caused by windstorm.

3. Explosion

"We" will cover explosion caused by the ignition of flammable vapors or explosive gases, detonation of chemicals, or rupture or bursting of pressure vessels.

However, "we" will not pay for loss or damage caused by or resulting from:

- a. Rupture or bursting of aerosol containers, steam boilers, steam pipes, steam engines, steam turbines, or alcohol stills;
- b. Rupture or bursting of water pipes;
- c. Rupture or bursting due to expansion or swelling of the contents of any building or structure; or
- d. Rupture, bursting, or operation of pressure relief devices.

4. Riot Or Civil Commotion

5. **Aircraft** including self-propelled missiles and spacecraft.

6. **Vehicles** means impact by a vehicle.

"We" do not pay for loss caused by any vehicle:

- a. Owned or operated by any "insured" or by an occupant of the "insured premises"; or
- b. To fences, driveways, walks, lawns, or "poultry".

7. **Smoke**, if the loss is sudden and accidental.

"We" do not pay for loss caused by smoke from agricultural smudging, industrial operations, candles, fireplaces, or any equipment used for auxiliary heating or cooking.

8. Vandalism Or Malicious Mischief

This peril means willful and malicious damage to or destruction of property.

"We" will not pay for loss:

- a. To glass (except Household Personal Property while contained in the dwelling of the "insured") or safety glazing material other than glass building blocks;
- b. At any "insured premises" which has been vacant or unoccupied more than 30 consecutive days immediately preceding the loss; or
- c. Caused by anyone residing at the "insured premises" or other persons to whom insured property is entrusted.

9. Theft Or Attempted Theft

Loss by theft shall require substantial proof of theft including physical evidence that a theft occurred.

"We" will not pay for loss by theft:

- a. Committed by any "insured";
- b. Committed by anyone currently residing with any "insured" or who was residing with any "insured" at any time during the 12 month period preceding the date the loss was discovered;
- c. In or from a dwelling or farm building under construction or of construction material or supplies until the building is completed and occupied;
- d. Of Household Personal Property while in any other dwelling or premises owned, rented, or occupied by any "insured". However, "we" will provide coverage if any "insured" has been there at any time during the 30 days immediately preceding the loss;
- e. To watercraft including their trailers, furnishings, equipment, and outboard motors while away from the "insured premises";

- f. To personal property while away from the “insured premises” and in or on any unattended “motor vehicle” or “farm implement”. However, “we” will provide coverage away from the “insured premises” for property contained within that portion of the “motor vehicle” or “farm implement” that is locked and all windows are closed. There must be visible marks of forcible entry;
- g. Due to the acceptance of forged or misrepresented negotiable instruments (such as checks);
- h. Committed by employees, tenants, or other persons to whom insured property is entrusted;
- i. Due to escape or mysterious disappearance;
- j. Disclosed on taking inventory or to loss by other unaccountable shortages;
- k. Of Household Personal Property from any “insured premises” rented to anyone other than an “insured”; or
- l. Due to swindling, embezzlement, fraud, wrongful conversion, trick, or false pretense.

10. Accidental Overturn Or Collision Of “Farm Implements”

“We” will not pay for loss under this peril:

- a. To tires, tubes, treads, or tracks unless the damage is coincidental with covered damage to the “farm implement”;
- b. To real or personal property other than a “farm implement”;
- c. Caused by mechanical breakdown or failure. But if loss or damage caused by a Peril Insured Against results from such mechanical breakdown or failure, “we” will pay for that resulting loss or damage;
- d. Caused by the intake of rocks or other foreign objects into the mechanical portion of any “farm implement”; or
- e. That occurs while the “farm implement” is being used in the course of or in preparation or practice for any race, speed, pulling, pushing, demolition, or stunt activity or contest.

ADDITIONAL PERILS FOR “LIVESTOCK”

“We” will pay for direct loss to “livestock” other than “poultry” caused by:

11. Death By Electrocution

12. Attack By Dogs Or Wild Animals

“We” will not pay for such loss if:

- a. Death occurs resulting from a disease communicated from the dog or wild animal; or

- b. Caused by dogs or wild animals owned by or in the care of any “insured” or any employee or tenant of any “insured”.

This coverage is excess over any other collectible source or valid and collectible insurance.

- 13. Accidental Drowning** from submersion in any liquid. This includes loss directly resulting from flood, surface water, or overflow of a body of water. “We” will not pay for loss to animals under 15 days old.

14. Accidental Shooting

“We” will not pay for loss if shot by any “insured” or any employee or tenant of any “insured”.

- 15. Injury From Loading On Or Unloading** from conveyances other than a common carrier.

- 16. Collapse** of bridges, culverts, and buildings.

- 17. Collision Or Overturn Of Conveyances** while used to transport “livestock” owned by any “insured”, except if by common carrier.

EXCLUSIONS

“We” do not pay for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss, unless coverage is provided by endorsement or elsewhere in this policy. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

“We” do not pay for loss or increased costs which result from:

- a. Enforcement if any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal of any debris, the requirements of which result in a loss in value to property; or
- b. Requiring 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”. This exclusion applies whether or not the “pollutant” has any function with respect to “your” property or “business”.

Any loss in value to property resulting from either subparagraph a. or b., above, is also not covered by “us”.

“We” will settle any damage to glass caused by a Peril Insured Against on the basis of replacement with safety glazing materials when required by ordinance or law.

This Ordinance or Law exclusion applies whether or not the property has been physically damaged.

2. Earth Movement

"We" do not pay for loss which results from:

- a. Earthquake including land shock waves or tremors before, during, or after a volcanic eruption;
- b. Landslide, mudslide, or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising, or shifting,

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then "we" will pay only for the ensuing loss.

This Exclusion does not apply to loss by theft.

3. Water Damage

"We" do not pay for loss resulting from:

- a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water regardless of cause, or their spray, all whether driven by wind or not;
- b. Mudslide or mudflow;
- c. Water or water-borne material which backs up or overflows from sewers or drains;
- d. Water or water-borne material below the ground surface pressing on, or flowing or seeping through:
 - 1) Foundations, walls, floors, or paved surfaces;
 - 2) Basements, whether paved or not;
 - 3) Doors, windows, or other openings;
 - 4) Discharged from a sump well, sump pump, or related equipment; or
- e. Damage to piers, docks, or boat hoists caused by waves, whether or not driven by wind;

caused by or resulting from human, animal forces, or any act of nature.

Direct loss by fire, explosion, or theft resulting from water damage is covered.

4. Power Failure

"We" do not pay for loss which results from the failure of power or other utility service supplied to the "insured premises", however caused.

If loss or damage ensues caused by a Peril Insured Against, "we" will pay for that resulting loss or damage.

5. Neglect

"We" do not pay for loss which results from the failure of any "insured" to use all reasonable means to save and preserve property at and after the time of a loss or when property is threatened by a Peril Insured Against.

6. War Or Nuclear Weapon Discharge

"We" do not pay for loss which results from:

- a. Undeclared war, civil war, insurrection, rebellion, or revolution;
- b. Warlike act by a military force or military personnel;
- c. Destruction, seizure, or use for a military purpose; or
- d. Discharge of a nuclear weapon, even if accidental, and any consequences of a. through d.

7. Nuclear Hazard

"We" do not pay for loss from any nuclear reaction, radiation, radioactive contamination, or any consequence of these however caused. If nuclear reaction or radiation, or radio-active contamination results in fire, "we" will pay for the loss or damage caused by that fire.

8. Intentional Or Expected Loss

"We" do not pay for loss arising out of any act of any "insured" if a reasonable person would expect or intend loss to result from the act.

In the event of such loss, no "insured" is entitled to coverage including any "insured" who did not commit or conspire to commit the act causing the loss.

9. Governmental Action

"We" do not pay for loss which results from the destruction, confiscation, or seizure of property described under any of the Coverages by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

10. Moving And Demolition

"We" do not pay for buildings in the process of being moved, reconstructed, or torn down.

11. Illegal Substance

"We" do not pay for loss which results from the sale, manufacture, delivery, transfer, storage, or packaging by any "insured" of any substance defined as controlled or illegal by any federal, state, or local law, regulation, or ordinance.

12. Shock Waves Caused By Aircraft (sonic boom)

"We" do not pay for loss or increased cost which arises from shock waves caused by aircraft or sonic booms.

13. Transporting Farm Personal Property

"We" do not pay for loss to farm personal property that is damaged or injured during the process of transporting by a common carrier.

14. Death Or Injury To "Livestock" Or "Poultry"

a. "We" do not pay for loss of "livestock" or "poultry" caused by:

- 1) Smothering including in blizzards and snow-storms;
- 2) Asphyxiation;
- 3) Suffocation;
- 4) Freezing; or
- 5) Fright,

unless caused directly by fire.

b. "We" do not pay for loss which results in death or injury to "livestock" or "poultry", unless:

- 1) The claim is reported to "us" within 48 hours of death or injury to the animal;
- 2) A licensed veterinarian performs a postmortem examination; and
- 3) The death or injury was caused by a Peril Insured Against.

In no event will "we" provide coverage if the loss is reported later than 48 hours after death.

15. Crop Waste

"We" do not pay for loss of remnants of harvested crops left or dispersed by a "farm implement" onto a field as ground cover or for the added nutrient value for a later crop. If the crop remnants are baled or recovered from the field for use as feed or animal bedding, "we" will cover the loss of the crop remnants if damaged or destroyed by a Peril Insured Against.

16. Collapse

"We" do not pay for loss which results from collapse except as provided under Additional Coverages or under Additional Perils for "livestock" or "poultry".

17. Contamination From Insects, Birds, Rodents, Or Other Animals

"We" do not pay for loss or damage caused by:

- a. Nesting of or infestation by; or
- b. Discharge or release of waste products or secretions from;

insects, birds, rodents, or other animals.

18. "Fungi", Wet Rot, Dry Rot, Bacteria, Or Virus

"We" will not pay for loss due to the presence, growth, proliferation, spread, or any other activity of "fungi", wet or dry rot.

This also means loss, cost, or damage caused by or resulting from any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness, or disease.

This exclusion applies to, but is not limited to, any loss, cost, or expense incurred as a result of:

- a. Any contamination by any virus, bacterium, or other microorganism; or
- b. Any denial of access to property because of any virus, bacterium, or other microorganism.

19. Aircraft

"We" do not pay for damage to aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft. "We" do cover model or hobby aircraft not used or designed to carry people or cargo.

20. Loss Of Income

"We" do not pay for loss of income as a result of the interruption of "your" farming operation or "business" caused by damage to or destruction of real or personal property.

21. Weather Related Conditions

"We" do not pay for damage to covered property when caused by:

- a. Ice (other than hail), snow, or sleet; or
- b. Freezing, frost, or cold weather.

22. Property Used In A "Business", Trade, Or Profession

"We" do not pay for property used in a "business", trade, or profession, except as provided under Special Limits on Certain Household Personal Property.

23. Electrical Wiring And Equipment

"We" do not pay for outside electrical wiring, equipment including poles, switch boxes, fuse boxes, underground wiring, electrical equipment mounted on poles, and attachments to outside wiring, except when there is a limit of insurance shown in the Declarations.

24. Submersible Pump Motors

"We" do not pay for submersible well pump motors and attached electrical components, except when there is a limit of insurance shown in the Declarations.

25. Outside Satellite Dish Systems And Radio/Television Equipment

"We" do not pay for satellite dish systems including components located outside the dwelling; or outside radio/television equipment, whether attached to buildings or not, except as provided under Additional Coverages.

26. Public Storage Facility

"We" do not pay for grain in a public storage facility or under government seal programs.

27. Unharvested Farm Property

"We" do not pay for unharvested farm produce or grain, except as provided under Additional Coverages.

28. Money, Bullion, Coins, And Medals

"We" do not pay for money, bullion, coins, medals, and other numismatic property, bank notes, and precious metals, including platinum, or gold and silver, other than goldware or silverware.

CONDITIONS

1. Insurable Interest

Even if more than one person or entity has an insurable interest in the property covered, "we" will not be liable in any one loss:

- a. To any "insured" for more than the amount of such "insured's" interest at the time of loss; or
- b. The applicable limit of insurance
whichever is less.

2. "Your" Duties After A Loss

In case of a loss to covered property, "we" have no duty to provide coverage under this policy if any "insured" fails to comply with the following duties. These duties must be performed by "you", an "insured" seeking coverage, or a representative of either:

- a. Give prompt notice to "us" or "our" agent;
- b. Notify the police as soon as practicable in case of loss by theft or vandalism or malicious mischief;
- c. As often as "we" reasonably require:
 - 1) Show the damaged property to "us" or "our" representative;
 - 2) Produce for examination all books of account, bills, invoices, receipts, and other vouchers as "we" may reasonably require, and permit "us" to make copies;
 - 3) Permit "us" to conduct individual examinations under oath of each "insured" while not in the presence of another "insured", by any person named by "us"; and
 - 4) Permit "us" to take samples of damaged property for inspection, testing, or analysis;

d. Protect the property from further damage. If repairs are required to protect the property from further damage, "you" must:

- 1) Make the reasonable and necessary repairs; and
- 2) Keep an accurate record of repair expenses;

e. Cooperate with "us" and assist "us" in any matter relating to a claim or suit;

f. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value, and amount of loss. Attach all bills, receipts, and related documents that justify the figures in the inventory; and

g. Send to "us", within 60 days after loss, a proof of loss signed and sworn by "you";

This proof of loss shall include:

- 1) The time and cause of loss;
- 2) The interest of "insureds" and all others in the property;
- 3) Actual cash value and amount of loss to the property;
- 4) All encumbrances on the property;
- 5) Other policies covering the loss;
- 6) Changes in title, use, occupancy, or possession of the property;
- 7) If required, any plans and specifications of any damaged building or fixtures;
- 8) An inventory of damaged and undamaged personal property; and
- 9) Provide receipts for any increased costs to maintain "your" standard of living while "you" reside elsewhere, and records pertaining to any loss of rental income.

3. Loss Settlement

"We" will pay no more than the smallest of the following amounts:

- a. The actual cash value of the covered property at the time of loss. Actual cash value includes a deduction for depreciation;
- b. The cost to repair or replace that part of the covered property with property of like kind and quality, less depreciation. Depreciation applies to labor and materials;
- c. The limits of insurance applicable to the damaged property; or
- d. Any special limits of insurance stated in the policy or by endorsement.

4. Loss To A Pair Or Set

"We" may repair any part of the pair or set to restore it to its value before the loss, or "we" may pay the difference between the actual cash value of the property before and after the loss.

5. Appraisal

If "you" and "we" fail to agree on the amount of loss, either party may make written demand for an appraisal of the loss. Each party will choose an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, "you" or "we" may ask a judge or court of record in the city or county where the "insured premises" is located to select an umpire.

The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item. If the appraisers submit a written report of an agreement to "us", the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire, who shall issue an award within 30 days after receipt of the appraisers' submission of their differences. A decision agreed to by any two shall establish the amount of loss and shall be final and nonappealable.

Each party will pay the appraiser it chooses, and the parties will share equally the umpire's fee and other expenses of the appraisal.

6. Other Insurance

If both this policy and other insurance apply to a loss, "we" will pay "our" share. "Our" share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

With respect to loss sustained to farm personal property, the insurance furnished by this policy will be excess over any other available coverage.

7. Warranty Or Guarantee

If there is a valid warranty or guarantee which applies to a loss or claim or would have applied in the absence of this policy, the insurance under this policy shall be considered excess insurance and shall not apply or contribute to the payment of any loss or claim until the amount of the warranty or guarantee is exhausted.

8. Lease Or Service Agreement

If there is a lease or service agreement providing warranty or repair protection for covered property insured under this policy, this policy will not apply until all obligations have been discharged and exhausted under that lease or service agreement.

The insurance provided by "us" for loss or damage to the property is excess over any other available insurance coverage required by the lease or service agreement. If a separate insurer is obligated to pay for the loss to the covered property, "our" limit of insurance is reduced to the difference between the actual cash value of the covered property before loss and the amount paid or to be paid by the other insurer.

9. Suit Against "Us"

No action can be brought against "us" unless there has been full compliance with all of the terms of this policy and the action is started within one year after the date of loss.

10. "Our" Settlement Options

"We" have the option of taking all or any part of the insured property at its appraised or agreed on value. "We" also have the option to repair, rebuild, or replace the damaged property with property of like kind and quality. "We" must give "you" notice of "our" intention within a reasonable period after "we" receive "your" proof of loss.

11. "Our" Payment Of Loss

"We" shall adjust any loss with "you", and pay "you" unless another payee is named in the policy. "We" will pay within 30 days after the amount of loss is finally determined by an agreement between "you" and "us", a court judgment or an appraisal award.

12. Abandoned Property

There can be no abandonment of any property to "us".

13. Mortgage Or Contract Of Sale Clause

As used in this paragraph, mortgagee includes a trustee or a seller under a contract of sale agreement and mortgage includes a contract of sale.

- a. If a mortgagee is named in this policy, any loss payable under this policy will be paid to the mortgagee and "you", as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
- b. If "we" deny "your" claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - 1) Notifies "us" of any change in ownership, occupancy, or substantial change in risk of which the mortgagee is aware;
 - 2) Pays any premium due under this policy on demand if "you" have neglected to pay the premium; and
 - 3) Submits a signed, sworn statement of loss within 60 days after receiving notice from "us" of "your" failure to do so. **Conditions** relating to **Appraisal, Suit Against "Us", and "Our" Payment Of Loss** also apply to the mortgagee.

- c. If “we” decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
- d. If “we” pay the mortgagee for any loss and deny payment to “you”:
 - 1) “We” are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - 2) At “our” option, “we” may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, “we” will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
- e. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee’s claim.

14. No Benefit To Bailee

This insurance will not in any way benefit any person or organization who may be holding, storing, or transporting “your” property for a fee.

15. Vacant Or Unoccupied

“We” will not pay for loss while the “insured premises” is:

- a. Vacant, meaning an empty dwelling without anyone living there or a farm building not in use; or
- b. Unoccupied, meaning a dwelling that is furnished but no one is living in the dwelling,

more than 60 consecutive days immediately before the loss, except where this policy specifies otherwise.

16. Recovered Property

If “you” or “we” recover any property for which “we” have made payment under this policy, “you” or “we” will notify the other of the recovery. At “your” option, the property will be returned to or retained by “you” or it will become “our” property. If the recovered property is returned to or retained by “you”, the claim payment, or any lesser amount to which “we” agree, must be refunded to “us”.

17. Increase Of Hazard

“We” will not pay for loss if any “insured” creates or knows of a condition that increases the chance of loss arising from a Peril Insured Against.

18. Concealment Or Fraud

“We” may deny coverage if “you” or any “insured” has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Made false statements; or
- c. Committed fraud relating to this insurance,

whether before or after the loss, accident, application for coverage, or claim for which coverage is sought under this policy.

19. Glass Replacement

Damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

RIGHTS AND DUTIES – GENERAL POLICY CONDITIONS

1. Liberalization Clause

If “we” make a change which broadens coverage under this edition of “our” policy without additional premium charge, that change will automatically apply to “your” insurance as of the date “we” implement the change in “your” state, provided that this implementation date falls within 60 days prior to or during the policy period shown in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- a. A subsequent edition of this policy; or
- b. An amendatory endorsement.

2. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this policy must be in writing by “us” to be valid. “Our” request for an appraisal or examination will not waive any of “our” rights.

3. Cancellation

- a. “You” or “your” agent at “your” request may cancel this policy at any time by:
 - 1) Returning this policy to “us”; or
 - 2) Mailing or delivering a written request for cancellation to “us”. Unless otherwise requested, the cancellation will be effective on the date “we” receive the policy or the request for cancellation.

- b. "We" may cancel this policy for the reasons stated in this condition. Notice of cancellation shall be delivered to "you", or mailed to "you" at "your" last mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - 1) When "you" have not paid the premium, whether payable to "us" or to "our" agent, "we" may cancel at any time by mailing "you" at least 10 days notice of cancellation.
 - 2) "We" may cancel for any reason other than nonpayment of premium by mailing "you" at least 30 days notice before the date cancellation takes effect.
- c. If "you" cancel "your" policy, "we" will return no more than the short rate unused share of "your" premium.
- d. If "we" cancel "your" policy, "we" will return no more than the prorated unused share of "your" premium.

4. Nonrenewal

"We" may elect not to renew this policy. "We" may do so by delivering or mailing, 30 days advance notice of "our" intent, to the first named "insured" at the last mailing address known by "us".

5. "Our" Right To Recover Payment

"We" have the right to recover payment under this policy if:

- a. "We" make a payment to any person or entity entitled to benefits under this policy; and
- b. That person or entity has a legal right to recover damages from a third party.

After payment is made by "us", "you", or the person or entity receiving the payment has no right to file a claim or lawsuit to collect the amount of "our" payment from a third party. No one receiving a payment under the policy may hire an attorney on "our" behalf to collect the amount of "our" payment.

"You", or the person or entity receiving a payment under the policy must sign papers and do whatever is necessary to transfer the right to collect the amount of the payment made by "us". If "you", or the person or entity receiving a payment under the policy releases anyone responsible for causing a loss without "our" written consent, this policy has been breached and "we" may recover from such person the amounts paid by "us". Any person or entity who receives payment under this policy and recovers damages from a third party must hold the proceeds of the recovery in trust and reimburse "us" to the extent of "our" payment under the policy.

"We" do not have a right to recover payment made under this policy, if before the loss "you" have waived in writing "your" right to recover damages from the responsible party.

6. Transfer Of "Your" Rights And Duties Under This Policy

Interest in this policy may not be transferred without "our" written consent. If the "insured" named in the Declarations or the spouse of the "insured" residing in the same household dies, the policy will cover:

- a. Any surviving member of the deceased's household who was covered under this policy at the time of death, but only while a resident of the "insured premises";
- b. The legal representative of the deceased person while acting within the scope of duties of a legal representative; or
- c. Any person having proper temporary custody of insured property until a legal representative is appointed.

7. Conformity To Statutes

Any provisions of this policy and endorsements attached to it which are in conflict with state law are amended to comply with the minimum requirements of the law.

8. Policy Period

This policy applies to covered losses which occur during the policy period as shown in the Declarations, unless the policy has been canceled prior to the expiration of the policy period. In that case, the policy will apply only to covered losses occurring after the commencement of the policy period and before cancellation of the policy.

9. Inspection Of Property And Operations

"We" shall have the right to inspect "your" property and operations at any time. In doing so, "we" do not warrant that the property or operations are safe or healthful, or are in compliance with any law, rule, or regulation.

10. Automatic Termination

If "we" offer to renew or continue this policy and "you" or "your" representative does not accept this offer, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium as "we" require, shall mean that "you" have not accepted "our" offer to continue the policy for the new policy period.