FARM LIABILITY COVERAGE

This endorsement changes the policy

-- PLEASE READ THIS CAREFULLY --

DEFINITIONS

1. With respect to Coverage L and Coverage M, the definition of “business” is deleted and replaced by the following:

   “Business” means:
   a. a trade, a profession, or an occupation, all whether full time, part time, or occasional. This includes the rental of property to others but does not include:
      1) the occasional rental for residential purposes of that part of the “described location” normally occupied solely by “your” household; or
      2) the rental or holding for rental of a portion of that part of the “described location” normally occupied by “your” household to no more than two roomers or boarders for use as a residence; or
   b. any other activity undertaken for money or other compensation, but this does not include:
      1) “farming”;
      2) providing care services to a relative of an “insured”;
      3) providing services for the care of persons who are not relatives of an “insured” and for which the only compensation is the mutual exchange of like services;
      4) a volunteer activity for which:
         a) an “insured” receives no compensation; or
         b) an “insured’s” only compensation is the reimbursement of expenses incurred to carry out the activity; or
      5) an activity not described in 1) through 4) above for which no “insured’s” total compensation for the 12 month period just before the first day of this policy period was more than $2,500.

2. With respect to Coverage L and Coverage M, the definition of “domestic employee” is amended to include the following addition:

   “Domestic employee” does not include a “farm employee”.

3. With respect to Coverage L and Coverage M, item h. under the definition of “insured premises” is deleted and replaced by the following:

   h. the farm premises described on the “declarations”, other land “you” use for “farming” purposes, new farm premises acquired by “you” during the policy period, and vacant land owned by or rented to an “insured”. This includes land where a one- to four-family house, a townhouse, or a row house is being built for use as an “insured’s” residence or a farm structure being built for the use of an “insured”.

4. With respect to Coverage L and Coverage M, the following definitions are added:

   23. “Agricultural chemicals” means pesticide, herbicide, “fertilizer”, plant amendment, or soil amendment but does not include nitrate and related nitrogen from a natural or animal source.

   24. “Custom farm work” means “farming” undertaken for others under a contract or agreement and includes the use of farm tractors, farm trailers, farm implements, draft animals and other farm machinery (other than “motorized vehicles”) used in performing the work.

   25. “Farm employee” means a person employed by an “insured”, or a person leased to an “insured” under a contract or an agreement with a labor leasing firm, to perform duties that relate to the “farming” operations of the “insured”. However, “farm employee” does not include a “domestic employee” or an “employee” while engaged in an “insured’s” “business”.

   26. “Farming” means the ownership, maintenance, or use of premises for the production of crops or the raising or care of livestock, including all necessary operations.

   “Farming” also includes the operation of roadside stands and farm markets maintained principally for the sale of the “insured’s” own farm products, but it does not include other retail activities.

   27. “Fertilizer” means a substance containing one or more recognized plant nutrients that is used for its plant nutrient content and designed for use or claimed to have value in promoting plant growth. “Fertilizer” does not include marl, lime, or limestone.

PROPERTY COVERAGES

PRINCIPAL PROPERTY COVERAGES

1. Under Coverage C – Personal Property, Personal Property Not Covered, “motorized vehicles”, item a)(2) is deleted and replaced by the following:

   (2) electronic devices and accessories that can be operated only from the electrical system of a “motorized vehicle”, farm machinery or farm equipment including antennas, films, tapes, wires, discs, records, or other media for use with such devices;

2. Under Coverage C – Personal Property, Personal Property Not Covered, the following is added:

   13) farm personal property.
LIABILITY COVERAGES

PRINCIPAL COVERAGES – LIABILITY AND MEDICAL PAYMENTS TO OTHERS

1. Coverage L and Coverage M are extended to apply to “bodily injury” to a “farm employee” while performing duties that relate to the “farming” operations of an “insured”. This coverage is subject to the “terms” of the policy and does not increase the “limits” stated.

2. Under Coverage M – Medical Payments to Others, item b.3) is deleted and replaced by the following:
   3) is caused by a “domestic employee” or a “farm employee” in the course of his or her employment by an “insured”; or

INCIDENTAL LIABILITY COVERAGES

1. Under Business, item a.1. is amended to include the following:
   d) that is a farm premises described on the “declarations” or a new farm premises acquired by “you” during the policy period; or

2. Damage to Property of Others is deleted and replaced by:

   4. Damage To Property Of Others - Regardless of an “insured’s” legal liability, “we” pay, at replacement cost, for “property damage” to property of others caused by an “insured”. We pay, at “actual cash value”, for damage to property of others if the “property damage” is caused by an “insured” to a “motorized vehicle”, farm machinery or farm equipment or is caused by an animal owned by or in the care of the “insured”.

   The “limit” that applies to this coverage shall not exceed the amount shown on the “declarations” under Damage To Property Of Others.

   The exclusions that apply to Coverage L and Coverage M do not apply to this coverage.

   However, “we” do not pay for “property damage”:
   a. covered under the Property Coverages section of this policy.
      However, “we” will pay for “property damage” in excess of the amount recoverable under the Property Coverages, to the extent that such “property damage” is covered under the “terms” of this Incidental Liability Coverage;
   b. to property owned by an “insured”, or owned by, rented to or leased to another resident of “your” household or a tenant of an “insured”;
   c. caused intentionally by an “insured” who has attained the age of 13 years;
   d. arising out of an act or omission in any way related to a:
      1) “business” undertaken by an “insured”; or
      2) premises owned, rented or controlled by an “insured”, other than an “insured premises”; or
   e. to livestock being raised or fed under contract for others; or
   f. arising out of the ownership, operation, maintenance, use, occupancy, loaning, entrusting, supervision, leasing, loading or unloading of “motorized vehicles”, (other than farm machinery or farm equipment), “aircraft”, “hovercraft” or “watercraft”.

   However, this exclusion does not apply to “property damage” arising out of a “motorized vehicle”:
   1) that is not owned by an “insured” and is designed:
      a) for recreational use off of public roads; or
      b) to assist the handicapped; or
   2) that is not owned by an “insured” and is used only to service:
      a) an “insured premises”; or
      b) a premises of another, not in the course of “business”;

      if, at the time of the “occurrence”, such “motorized vehicle” is not designed or not required by law or governmental regulation to be registered for use on public roads or property.

   Deductible: With regard to loss or damage to borrowed Farm Machinery or Farm Equipment, $250 shall be deducted from each “occurrence”.

3. The following Incidental Liability Coverages are added:

   9. Spray Drift Of Agricultural Chemicals – “We” pay, up to “our” “limit”, for “property damage” caused by sudden and accidental spray drift of “agricultural chemicals” when applied by or for any “insured” on any “insured premises”, except when applied by “aircraft”.

   10. Discharge, Dispersal, Seepage, Migration, Spill, Release or Escape of Agricultural Chemicals, Liquids and Gases – “We” pay, up to “our” “limit”, for “bodily injury” or “property damage” arising out of the discharge, dispersal, seepage, migration, spill, release or escape of “agricultural chemicals”, liquids and gases intended for use in normal and usual “farming” or agricultural operations, including cost of clean up, under the following conditions:

   a. The discharge, dispersal, seepage, migration, spill, release or escape occurs quickly and abruptly and is accidental; and

   b. The discharge, dispersal, seepage, migration, spill, release or escape must be reported in compliance with the requirements of the responsible local, state or federal agency, and to “us” within 30 days of the “occurrence”.

   However, this coverage does not apply to “bodily injury” or “property damage” if the discharge, dispersal, seepage, migration, spill, release or escape:
a. enters the environment from “aircraft”; 
b. arises out of the “custom farm work” by any “insured”. 
c. arises out of operations that are in violation of any ordinance or law; or 
d. arises out of the run off or overflow of animal waste or “agricultural chemicals” caused by flood, rain or snow melt.

Under Additional Exclusions That Apply Only To Coverage L, exclusion 2.c and 2.e. do not apply to this Incidental Liability Coverage. For covered damage to property owned by, rented to, occupied by, used by or in the care of an “insured”, no suit may be brought against “us” unless all the “terms” of this policy have been complied with and the suit is brought within two years after the discharge, dispersal, seepage, migration, spill, release or escape. If a law of the state where the premises is located makes this time period invalid, the suit must be brought within the time period allowed by the law.

Deductible - This Incidental Liability Coverage is subject to a $1,000 deductible. This means that “you” are responsible for the first $1,000 of each covered “occurrence”.

Excess Coverage - Amounts available under this Incidental Liability Coverage will be considered excess to funds available through any local, state or federal agency.

The aggregate “limit” for Incidental Liability Coverage 9. Spray Drift Of Agricultural Chemicals is shown on the “declarations” under Spray Drift of Agricultural Chemicals. This aggregate “limit” is the most “we” will pay for this Incidental Liability Coverage in any one (1) policy year.
The aggregate “limit” for Incidental Liability Coverage 10. Discharge, Dispersal, Seepage, Migration, Spill, Release or Escape of Agricultural Chemicals, Liquids and Gases is shown on the “declarations” under Discharge, Dispersal, Seepage, Migration, Spill, Release or Escape of Agricultural Chemicals, Liquids and Gases. This aggregate “limit” is the most “we” will pay for this Incidental Liability Coverage in any one (1) policy year.
The aggregate “limit” shown for each of these Incidental Liability Coverages is the most “we” will pay for that Incidental Liability Coverage regardless of the number of:
1. “occurrences”;
2. “insureds”; 
3. claims made or suits brought; or 
4. persons or organizations making claims or bringing suits.

EXCLUSIONS THAT APPLY TO LIABILITY COVERAGES
1. With respect to the coverage provided by this endorsement, under Exclusions That Apply To Coverages L And M, exclusions 1.b., 1.f. and 1.i. are deleted and replaced by:
b. “bodily injury” or “property damage” arising out of:
   1) the ownership or leasing of “aircraft”, “hovercraft”, a “motorized vehicle”, or “watercraft” by an “insured”; 
   2) the operation, maintenance, use, occupancy, loading, or unloading of “aircraft”, “hovercraft”, a “motorized vehicle”, or “watercraft” by any person; 
   3) the entrustment or loaning of “aircraft”, “hovercraft”, a “motorized vehicle”, or “watercraft” by an “insured” to any person; or 
   4) an “insured’s” negligent supervision of or failure to supervise any person with respect to “aircraft”, “hovercraft”, a “motorized vehicle”, or “watercraft”.

   However, this exclusion does not apply to “bodily injury” to a “domestic employee” or “farm employee” arising out of and in the course of his or her employment by an “insured” or if coverage is provided under the Incidental Liability Coverage for Motorized Vehicles or the Incidental Liability Coverage for Watercraft.

f. “bodily injury” or “property damage” that arises out of premises that are:
   1) owned by an “insured”; 
   2) rented to an “insured”; or 
   3) rented to others by an “insured”; 
   and that are not “insured premises”.

   However, this exclusion does not apply to “bodily injury” to a “domestic employee” or “farm employee” arising out of and in the course of his or her employment by an “insured”.

i. “bodily injury” or “property damage” that arises out of the actual, alleged, or threatened discharge, dispersal, disposal, emission, leaching, leakage, seepage, migration, spillage, release, or escape of “pollutants” into or upon land, water, or air.

   However, this exclusion does not apply to:
   1) “bodily injury” or “property damage” that arises out of the heat, smoke, or fumes of a fire on the “insured premises” that becomes uncontrollable or breaks out from where it was intended to be; 
   2) “bodily injury” or “property damage” caused by reduced visibility from smoke; or 
2. With respect to the coverage provided by this endorsement, the following exclusions are added under Exclusions That Apply To Coverages L and M:
   
n. “bodily injury” or “property damage” that arises out of the discharge of substances from an “aircraft”.
   o. “bodily injury” or “property damage” that arises out of the application of pesticides or herbicides for others.
   p. “bodily injury” to a “farm employee” employed in violation of the law with the knowledge or approval of an “insured”.
   q. “bodily injury” to a “domestic employee” or “farm employee” if:
      1) an “insured” has a workers’ compensation policy covering the injury; or
      2) benefits are payable or are required to be provided by an “insured” under a workers compensation, non-occupational disability, occupational disease, or like law.

3. With respect to the coverage provided by this endorsement, under Additional Exclusions That Apply Only To Coverage L, exclusions 2.b. and 2.f. are deleted and replaced by:
   b. liability under a contract or an agreement entered into by an “insured”, except as provided by Incidental Liability Coverage for Contracts.
      However, this exclusion does not apply to a warranty of farm goods or products.
   f. sickness, disease, or death of a “domestic employee” or “farm employee” unless a written notice is received by “us” within 36 months after the end of the policy period in which the injury occurred.

4. The following exclusions are added under Additional Exclusions That Apply Only To Coverage L:
   j. Coverage L does not apply to “property damage” to products manufactured, sold, handled, or distributed by an “insured” when the “property damage” arises out of such products or a part of the products.
   k. Coverage L does not apply to “property damage” to work performed by or for an “insured” when the “property damage” arises out of such work or a part of the work.
   l. Coverage L does not apply to “bodily injury” to a spouse, child, parent, brother, or sister of a “farm employee” that is a consequence of “bodily injury” to that “farm employee”. This exclusion applies whether the “insured” is liable either as an employer or in any other capacity and to any obligation of an “insured” to fully or partially reimburse another for damages arising out of the injury.

5. With respect to the coverage provided by this endorsement, under Additional Exclusions That Apply Only To Coverage M, exclusions 3.a. and 3.c. are deleted and replaced by:
   a. an “insured” or any other person, other than a “domestic employee” or “farm employee” who regularly resides on any part of the “insured premises”.
   c. a “domestic employee” or “farm employee” if the “bodily injury”:
      1) occurs away from an “insured premises”; and
      2) does not arise out of or in the course of his or her employment by an “insured”.

6. With respect to the coverage provided by this endorsement, the following exclusion is added:
   “We” will not pay for damages arising out of any:
   a. refusal to employ;
   b. termination of employment;
   c. coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, sexual misconduct, or other employment-related practices, policies, acts, or omissions; or
   d. consequential “bodily injury” as a result of a., b., or c. above.
   This exclusion applies whether the “insured” may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

**POLICY CONDITIONS**

**CONDITIONS APPLICABLE TO CUSTOM FARM WORK ONLY**

In the event an “insured” earns more than $1,000 per year from “custom farm work”, the following conditions also apply:

1. **Examination of Books and Records** – “We” may examine and audit “your” books and records that relate to this policy during the policy period and within three years after the policy has expired.

2. **Premium** -The premium for “custom farm work” is based on receipts. Receipts means the gross amount of money received by any “insured” in connection with “custom farm work” during the policy period.

   The premium for this insurance is an estimated premium only. After each anniversary and upon termination of the policy, “you” must notify “us” of the receipts during the policy period. The earned premium for this insurance is computed at the time in accordance with “our” rules, rates, rating plans, premiums, and minimum premiums. If the final earned premium is more than the estimated premium paid by “you”, “we” will bill “you” for the difference. If the final earned premium is less than the deposit premium paid by “you”, “we” will return the difference to “you”. “You” must maintain records of the information that is necessary for computing the premium. Copies of the records must be sent to “us” when requested by “us”.

   If the premium for coverage provided by this policy is based upon an audit of exposures and the final premium is determined after the expiration of the policy, any additional premium owed to “us” is due on the due date that appears on the billing notice.