

“OTHER” FARM PROPERTY COVERAGES

1

REVIEW

- ISO forms as they relate to Farm/Ag exposures and some of the endorsements available for coverage modification:
- Livestock Coverage Form FP 00 40 04 16
- Mobile Agricultural Machinery & Equipment Coverage Form FP 00 30 04 16.
- Equipment Breakdown Protection Coverage Form EB 00 20 01 13

2

LIVESTOCK COVERAGE FORM FP 00 40 04 16

3

WHAT COMPRISES THIS FORM

- 1. Coverage
- 2. Exclusions
- 3. Limits of Insurance
- 4. Deductible
- 5. Farm Inland Marine Conditions
- 6. Definitions

4

COVERAGE

- Covered Property – if a limit is shown on the Decs
- 1. "Livestock" of a class shown with a limit per animal
- 2. "Livestock" of a class shown with a limit per animal
w/sublimits allowed for individual animals separately

5

WHAT'S NOT COVERED

- 3. Property not covered
 - a. While in public stockyards, sales barns or sales yards
 - b. While in packing plants or slaughterhouses

6

COVERED CAUSES OF LOSS... DIRECT LOSS CAUSED BY

- Fire or lightning
- Windstorm or hail
- Explosion
- Riot or civil commotion
- Aircraft
- Smoke
- Sinkhole collapse
- Volcanic action
- Collision causing death of covered livestock
- Vandalism
- Earthquake
- Flood
- Covered Cause of Loss - Theft

Laurus Insurance Consulting

7

ADDITIONAL COVERAGES

- a. Property removed for safekeeping
- b. Debris removal
- c. Extra expense
- d. Fire department service charge
- ONE Coverage Extension
 - Livestock in the custody of a common or contract carrier

Laurus Insurance Consulting

8

EXCLUSIONS

- Earth movement
- Governmental action
- Intentional loss
- Nuclear hazard
- Utility services
- Neglect
- War & military action
- Water

Laurus Insurance Consulting

9

LIMITS OF INSURANCE & DEDUCTIBLE

- D. Limits of Insurance
 - a. ACV of the animal
 - b. 120% of the total limit on each class (some counted as ½ head)
- Deductible

Laurus Insurance Consulting

10

FARM INLAND MARINE CONDITIONS

- Abandonment
- Additional Acquired property
- Appraisal
- Duties in the event of a loss
- Insurance under two or more coverages
- Loss payment
- Other insurance
- Pair or sets
- Recovered property
- Transfer of rights of recovery against others to us
- Valuation

Laurus Insurance Consulting

11

GENERAL CONDITIONS

- Coinsurance
- Concealment, Misrepresentation or Fraud
- Control of property
- Legal action against us
- Liberalization
- No benefit to bailee
- Policy period, coverage territory

Laurus Insurance Consulting

12

DEFINITIONS

- Insured
- Insured location
- Livestock
- Loss
- Pollutants

Laurus Insurance Consulting

13

MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM, FP 00 30 04 16

Laurus Insurance Consulting

14

WHAT COMPRISES THIS FORM

- 1. Coverage
- 2. Exclusions
- 3. Limits of Insurance
- 4. Deductible
- 5. Farm Inland Marine Conditions
- 6. Definitions

Laurus Insurance Consulting

15

COVERAGE HAS TWO OPTIONS

- All mobile ag machinery & equipment if a **single limit** is shown on the Decs
- Each item that is specifically described in the Decs for which an **individual limit** of insurance is shown



16

PROPERTY NOT COVERED

- Multiple types of vehicles
- Bulk milk tanks, feed tanks, items attached to buildings or structures
- Cotton pickers, harvester-thresher combines, ATVs, etc.
- Irrigation equipment
- Contraband et al



17

COVERED CAUSES OF LOSS

- Covered Causes of Loss means direct physical loss to Covered Property unless the loss is excluded or limited in this policy



18

EXCLUSIONS

- 1. Earth movement
- 2. Governmental action
- 3. Intentional loss
- 4. Nuclear hazard
- 5. Utility services
- 6. Neglect
- 7. War & Military action
- 8. Water

Laurus Insurance Consulting

19

OTHER EXCLUSIONS

- Maintenance types of losses
- Items that could be addressed by better risk management
- Items that could be better addressed elsewhere
- Concurrent causation losses
 - In property insurance, this term refers to a situation where there is a mixture of covered and uncovered perils acting together (either in sequence or simultaneously) to produce the same property damage

Laurus Insurance Consulting

20

ADDITIONAL COVERAGES

- a. Collapse
- b. Damage to property removed for safekeeping
- c. Debris removal
- d. Extra expense
- e. Fire department service charge
- f. Reasonable repairs
- g. Borrowed or Rented "Mobile Agricultural Machinery and Equipment"

Laurus Insurance Consulting

21

COVERAGE EXTENSIONS – APPLY TO SPECIFICALLY DESCRIBED ITEMS

- Additional Acquired property – Newly Purchased
 - \$100,000 for loss or damage to all such equipment
 - This is part of – not in addition to – the applicable limit of insurance
 - Additional Acquired Property – Replacement
 - \$75,000 plus the corresponding limit shown for the individually described item
- BOTH extensions expire (whichever happens first):
 30 days after date of purchase and/or acquisition
 When the policy expires

Laurus Insurance Consulting

22

LIMITS OF INSURANCE

- The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.
- The Limit of Insurance for any one item of "mobile agricultural machinery and equipment" covered in accordance with the single limit option described in Section A.1.b. is \$3,000.

Laurus Insurance Consulting

23

DEDUCTIBLE

- We will not pay for loss, damage or expense in any one occurrence until the amount of loss, damage or expense exceeds the Deductible shown in the Declarations. We will then pay the amount of loss, damage or expense in excess of the Deductible, up to the applicable Limit of Insurance or Special Limit of Insurance.

Laurus Insurance Consulting

24

FARM INLAND MARINE CONDITIONS

- 1. Abandonment
- 2. Appraisal
- 3. Duties in the event of a loss
- 4. Insurance under two or more coverages
- 5. Loss payment
- 6. Other insurance and Service Agreement
- 7. Pair, sets or parts
- 8. Recovered property
- 9. Transfer of rights of recovery against others to us
- 10. Valuation

Laurus Insurance Consulting

25

GENERAL CONDITIONS

- 1. Coinsurance
- 2. Concealment, Misrepresentation or Fraud
- 3. Control of property
- 4. Legal action against us
- 5. Liberalization
- 6. No benefit to bailee
- 7. Policy period, coverage territory

Laurus Insurance Consulting

26

DEFINITIONS

- 1. Insured
- 2. Insured location
- 3. Mobile ag machinery & equipment
- 4. Pollutants
- 5. Specified causes of loss

Laurus Insurance Consulting

27

EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM

EB 00 20 01 13

Laurus Insurance Consulting

28

COMPRISED OF

- 1. Coverage
- 2. Exclusions
- 3. Limits of Insurance
- 4. Deductibles
- 5. Equipment Breakdown Protection Conditions
- 6. Definitions

Laurus Insurance Consulting

29

COVERED CAUSE OF LOSS

- Covered Cause of Loss is a "Breakdown" to "Covered Equipment".

Laurus Insurance Consulting

30

COVERAGES – 10 TO BE SELECTED

- 1. Property damage
- 2. Expediting Expenses
- 3. Business Income & extra expense or extra expense only
- 4. Spoilage damage
- 5. Utility interruption
- 6. Newly acquired premises
- 7. Ordinance or law coverage
- 8. Errors and omissions
- 9. Brands & labels
- 10. Contingent Business income & extra expense or extra expense only

Laurus Insurance Consulting

31

PROPERTY DAMAGE

- We will pay for direct damage to "Covered Property" located at the premises described in the Declarations.

Laurus Insurance Consulting

32

EXPEDITING EXPENSES

- With respect to direct damage to "Covered Property", we will pay for the extra cost you necessarily incur to:
 - (1) Make temporary repairs; and
 - (2) Expedite the permanent repairs or replacement of the damaged property.

Laurus Insurance Consulting

33

BI & EE – OR EE ONLY

- Actual loss of business income
- Extra expense incurred to operate the business during the POR
- May also apply to:
 - Ordinance or Law during the POR
 - Media or Data damaged – subject to a \$25,000 limit unless another limit is shown

Laurus Insurance Consulting

34

SPOILAGE DAMAGE

-) We will pay for the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
- (a) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
- (b) You must own or be legally liable under written contract for the raw materials, property in process or finished products; and
- (c) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

Laurus Insurance Consulting

35

UTILITY INTERRUPTION

- Applies if one has purchases BI & EE or EE only – three requirements need to be met
- 1. Interruption is a direct result of breakdown to covered equipment
- 2. Covered equipment is used to supply electric power, communications, AC, heating, gas, sewer, water or steam
- 3. It exceeds the stated waiting period shown I the Decs

Laurus Insurance Consulting

36

NEWLY ACQUIRED PREMISES

- We will automatically provide coverage at newly acquired premises you have purchased or leased.
 - Tell us in writing as soon as practicable
 - Pay the determined AP
 - Coverage subject to terms and conditions already in place
 - If coverages and deductible vary for existing premises – then the newly acquired premises will have the broadest coverage and highest limits and deductible applicable

Laurus Insurance Consulting

37

ORDINANCE OR LAW

- Applies despite the Ordinance Or Law Exclusion and provided these increases in loss are necessitated by the enforcement of or compliance with any ordinance or law that is in force at the time of the "Breakdown", which regulates the demolition, construction, repair or use of the building or structure

Laurus Insurance Consulting

38

ERRORS AND OMISSIONS

- We will pay for any loss or damage, which is not otherwise payable under this Coverage Part, solely because of the items listed below:
 - Any error or unintentional omission in the description or location of property
 - Any failure through error to include any premises owned or occupied by you at the inception date of this Coverage Part
 - Any error or unintentional omission by you that results in cancellation of any premises insured under this policy
- No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested

Laurus Insurance Consulting

39

BRANDS AND LABELS

- If branded or labeled merchandise that is "Covered Property" is damaged by a "Breakdown", we may take all or any part of the property at an agreed or appraised value. If so, you may:
 - Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
 - Remove the brands or labels if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with any law



40

CONTINGENT BI & EE OR EE ONLY

- Subject to the same terms and conditions, the "Business Income" and "Extra Expense" or "Extra Expense" only coverage provided by this Coverage Part is extended to cover your loss, if any, resulting from a "Breakdown" to "Covered Equipment" at a premises shown in the Declarations, that is not owned or operated by you



41

EXCLUSIONS

- 1. Ordinance or law
- 2. Earth movement
- 3. Water
- 4. Nuclear hazard
- 5. War or military action
- 6. Certain types of explosions
- 7. Certain fires or combustions explosions
- 8. Fungus, wet rot, dry rot
- 9. Virus, bacterium et al
- 10. Explosion w/in the furnace of a chemical type of recovery boiler
- 11. Damage to covered equipment undergoing testing



42

EXCLUSIONS (CONTINUED)

- 12. Water or means used to extinguish fires
- 13. Depletion, deterioration, corrosion, erosion, wear and tear
- 14. Breakdown caused by certain types of causes of loss
- 15. Breakdown by wind or hail
- 16. Delays in manufacturing or processing et al
- 17. Specific business income exclusions
- 18. Indirect loss due to lack of or excess power, light, heat et al
- 19. Utility interruption coverages due to specific causes of loss
- 20. Indirect losses except those provided for in the business income coverage
- 21. Neglect by the insured

Laurus Insurance Consulting

43

LIMITS OF INSURANCE – VARIOUS LIMITS APPLY

- 1. Limit shown on the Decs
- 2. Those shown as INCLUDED
- 3. Specific covered equipment
- 4. Sub-limited coverage of \$25,000 for specific types of losses as listed
- 5. Limited coverage for fungus, wet rot, dry rot
- 6. BI & EE or EE only
- 7. Increased cost of loss & related expenses for Green upgrades

Laurus Insurance Consulting

44

DEDUCTIBLES

- 1. Some deductibles apply separately
- 2. Dollar deductibles
- 3. Time deductibles
- 4. Multiple of daily value deductible
- 5. Percentage of loss
- 6. Minimum or maximum deductibles

Laurus Insurance Consulting

45

EQUIPMENT BREAKDOWN PROTECTION CONDITIONS

- Abandonment
- Appraisal
- Defense
- Duties in the event of a loss
- Insurance under two or more coverages
- Legal action against us
- Loss payable clause
- Other insurance
- Privilege to adjust with owner
- Reducing your loss
- Transfer of rights of recovery against others to us
- Valuation
- Specific conditions applicable to BI & EE

Laurus Insurance Consulting

46

GENERAL CONDITIONS

1. Additional insured
2. Bankruptcy
3. Concealment, misrepresentation or fraud
4. Liberalization
5. Mortgageholder
6. No benefit to bailee
7. Policy period, coverage territory
8. Premium and adjustments
9. Suspension

Laurus Insurance Consulting

47

JOINT OR DISPUTED LOSS AGREEMENT

- Facilitates payments of insurance proceeds when there are two different insurers that could potentially be liable for the loss
- IE – a property policy and an equipment breakdown policy are both in place
- There is disagreement as to whom is responsible for the loss payment
- Essentially, they will both pay a portion of the loss and then figure it out between them without involving the insured

Laurus Insurance Consulting

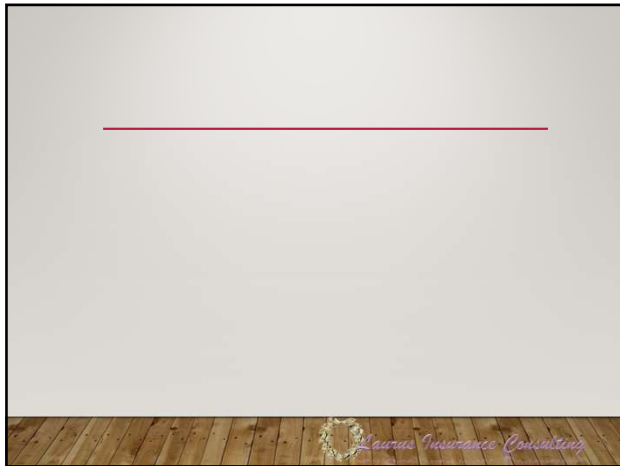
48

DEFINITIONS

- Breakdown
- Business income
- Business income actual annual value
- Business income estimated annual value
- Computer equipment
- Covered equipment
- Covered property
- Data
- Extra expense
- Fungus
- Green
- Green standards setter
- Hazardous substance
- Media
- One breakdown
- Period of restoration
- Stock

Laura Insurance Consulting

49



50
