

# AMERICAN RELIABLE INSURANCE COMPANY

## FARM PROPERTY ENHANCEMENT

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

### FARMERS AND RANCHERS POLICY

Under **PROPERTY COVERAGES, COVERAGE B – UNSCHEDULED PERSONAL PROPERTY (HOUSEHOLD)**, 3. **Special limits of insurance** is deleted and replaced with the following:

The following limits do not increase the Coverage B limit of insurance. The special limit for each lettered category is the total limit for each occurrence for all property in that category. If a higher limit of insurance is specified in the SCHEDULED PERSONAL PROPERTY ENDORSEMENT, the higher limit will apply, and is in lieu of, the following limits:

- a. \$1,500 on money; bullion; gold other than goldware and gold-plated ware, silver other than silverware and silver-plated ware, platinum, numismatic property and bank notes;
- b. \$3,000 on accounts; bills; deeds; evidences of debt; letters of credit; notes other than bank notes; passports; railroad and other tickets; securities; manuscripts; stamps including philatelic property;
- c. \$5,000 on guns and related accessories;
- d. \$2,500 on watercraft, including their trailers, whether licensed or not; furnishings, equipment and outboard motors;
- e. \$2,500 on trailers not used with watercraft or for farming purposes;
- f. \$2,000 on grave markers; or
- g. \$3,000 on "business property" other than farm personal property;
- h. \$2,000 on electronic devices, accessories, and antennas that can be operated from the electrical system of farm equipment and by other sources of power. This includes films, tapes, wires, discs, records, or other media for use with such devices. The special limit applies only while the property described in this paragraph is in or on farm equipment.
- i. \$3,000 for loss of or to miscellaneous tools and equipment, with a \$1,000 max per employee.
- j. In the event of loss by theft:
  - 1) \$10,000 on jewelry, watches, necklaces, bracelets, gems, precious and semiprecious stones, and furs, we will not pay more than \$2,500 for loss of or damage to any one article of covered property.
  - 2) \$10,000 on silverware, gold-ware, and pewter-ware, we will not pay more than \$2,500 for loss or damage to any one article of covered property.
- k. \$2,000 on "motorized vehicles" used to service the "insured premises" and not designed or licensed for use on public roads;
- l. \$2,500 on coins.

Under **SECTION I – ADDITIONAL COVERAGES**, the following coverage limits and/or deductibles are amended. All other provisions remain unchanged.

**4. CONTENTS OF FREEZER OR REFRIGERATED UNIT –**

The limit is increased from \$500 to \$750.

**7. CREDIT CARD, BANK FUND TRANSFER CARD, FORGERY, AND COUNTERFEIT MONEY –**

The limit is increased from \$1,000 to \$2,500.

**10. REPLACEMENT MACHINERY –**

The limit is increased from \$50,000 to \$100,000.

**11. NEWLY ACQUIRED FARM EQUIPMENT, MACHINERY AND VEHICLES –**

Limit is increased from \$50,000 to \$200,000.

**12. FARM EQUIPMENT LOANED OR RENTED TO NAMED INSURED – SPECIAL DEDUCTIBLE APPLIES –**

The limit is increased from \$25,000 to \$75,000. A \$1,000 deductible applies.

**13. EXTRA EXPENSE -**

The limit is increased from \$1,000 to \$2,500.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**16. OUTDOOR RADIO AND TELEVISION EQUIPMENT -**

Limit is increased from \$150 to \$500. The outdoor equipment must service an owner occupied dwelling for coverage to apply.

**17. NEW CONSTRUCTION OF FARM BUILDINGS -**

The limit is increased from \$60,000 to \$100,000.

**19. INCREASED COST DUE TO ORDINANCE OR LAW -**

The limit is increased from 10% to 20% of Coverage A.

Under **SECTION I – ADDITIONAL COVERAGES**, the following are added:

**21. LOCK AND GARAGE DOOR TRANSMITTER REPLACEMENT -**

We pay to rekey or replace, if necessary, the locks on your “residence” occupied by you, if the keys to those locks are stolen and the policy and we are notified within 48 hours. This coverage also includes the cost to replace automatic garage door or electric gate transmitters and the cost to change the radio frequency of the control unit if:

- a. The control unit is attached to the insured “residence”; and
- b. The corresponding transmitters have been stolen.

The replacement of locks or transmitters will be with those of like kind and quality. The most we will pay for this coverage is \$500.

This coverage is not applicable to:

- a. Keys to motor vehicles, trailers or any motorized land conveyances whether or not subject to motor vehicle registration; or
- b. Keys or transmitters given to any person who is not an “insured”; or
- c. Keys or transmitters to a dwelling under construction or renovation.

This is additional insurance and no deductible applies.

**22. LOSS ASSESSMENT COVERAGE -**

We will pay your portion of any assessment against you up to \$5,000 during the policy period which is made by a corporation or association of property owners if the assessment is the result of a direct physical loss to property collectively owned by all members of a corporation or association. The loss must be from a covered peril in your policy for a covered “residence”

We will pay no more than \$5,000 regardless of the number of assessments per policy period and we will not cover assessments levied by any governmental body.

This added coverage applies for any covered assessment that occurs during the policy period, though the direct loss to the property may have occurred before your policy period began. This coverage is subject to the applicable “residence” deductible.

**23. FIRE EXTINGUISHER RECHARGE COVERAGE -**

If you are required to pay for recharging a residence or outbuilding fire extinguisher as a result of fighting a hostile fire at your premises, we will pay the cost for recharging fire extinguishers up to \$500. No deductible applies.

**24. PROPERTY IN CUSTODY OF A COMMON OR CONTRACT CARRIER -**

We will pay for loss to farm property in the custody of a Common or Contract Carrier up to \$2,000, unless a higher amount is shown on the declarations. No deductible applies to this additional coverage.

**25. SIGNS -**

We will pay up to \$3,000 in any one occurrence for loss to signs (other than signs attached to buildings) and attachments and caused by Special Form coverage perils, unless a higher limit is shown on the declarations.

Attachments include attached switch boxes, fuse boxes and other electrical equipment mounted on signs you own at the “insured location.”

**26. COMPUTER EQUIPMENT AND SOFTWARE (Including GPS & Navigation)-**

We cover computers and related software used principally for farm duties up to \$5,000 for covered loss from all risks of direct physical loss, with certain exceptions for war or civil authority actions. The loss must be from an external cause. Software is covered property only up to the amount required to replace it in a prepackaged program or blank form. A \$250 deductible applies.

In the event that coverage is provided for under another section of this policy, this coverage will be in addition to any higher limit you purchase and only the highest deductible amount will apply at the time of loss.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**27. IDENTITY FRAUD EXPENSE COVERAGE -**

We will pay up to \$2,500 for "expenses" incurred by the "named insured" as the direct result of any one "identity fraud" occurring at any time prior to expiration, cancellation or termination of the policy period.

We will not pay for "expenses" incurred by you as the result of any "identity fraud":

- a. Arising out of or in connection with:
  - 1) Your farming operations; or
  - 2) A business;
- b. Due to any fraudulent, dishonest or criminal act of:
  - 1) You; or
  - 2) Any person aiding or abetting you; or
  - 3) Any authorized representative on behalf of you;

Whether acting alone or in collusion with others. In the event of any such act, you are not entitled to "expenses."

With respect only to this coverage you must send us, within 60 days after our request, receipts, bill or other records that support your claim for "expenses" under "identity fraud" coverage.

You have up to one year from the policy expiration date or, in the event of cancellation or termination of the policy, to submit a claim. However, if you obtain replacement identity fraud expense insurance, we do not pay for "expenses" incurred by you that result from "identity fraud" discovered on or after the effective date of such other insurance, regardless of whether or not such insurance provides coverage for expenses arising from "identity fraud" that occurs prior to its effective date.

We will pay only that part of the loss that exceeds \$250. This is additional coverage and no other deductible applies.

**28. WATER BACKUP OF SEWER AND DRAINS -**

A. With respect to Coverages A, B, C and D, we will pay for loss caused by water which:

1. Backs up through or overflows from a sewer or drain; or
2. Overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its necessary equipment.

However, with respect to A.2., we will not pay the cost of repairing or replacing a sump pump or its necessary equipment in the event of mechanical breakdown.

B. The coverage described 28. A above, does not apply to loss or damage resulting from an "insured's" failure to:

1. Keep a sump pump or its necessary equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. The most we will pay for the coverage provided under this endorsement is a total of \$5,000 unless higher limits are shown on the declarations.

D. With respect to the coverage provided under this endorsement, Exclusion 3. under **SECTION I – EXCLUSIONS** "Water Damage resulting from" is replaced with the following:

- a. Flood or surface water, waves, tidal water, or overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Mudslide or mudflow; or
- c. Water below the surface of the ground. This includes water, which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, basements, whether paved or not, or doors, windows or other openings.

But:

1. If water as described in D.a through c. above, results in fire, explosion or theft resulting from water damage, we will pay for the loss or damage caused by that fire, explosion or theft; or
2. If loss or damage to:
  - (a) Farm machinery, vehicles and equipment covered for Special Perils; or
  - (b) "Livestock";is caused by water as described in D.a. above, this Water exclusion does not apply to such loss or damage.

**29. REPLACEMENT COST COVERAGE FOR CARPET, FURNACES AND AIR CONDITIONERS -**

If the dwelling is insured to 80% of replacement cost at time of loss, the following is applicable. Under **SECTION I – CONDITIONS**, 3., Loss Settlement, b, the following items are amended from Actual Cash Value to Replacement Cost: Carpeting, Awnings, Domestic Appliances, Outdoor Equipment, Furnaces and Air Conditioners.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**30. MOTOR TRUCK CARGO COVERAGE – OWNER’S -**

A. We cover cargo that you own or which you have sold to others while it is loaded for shipment and in transit.

The most we will pay for the coverage provided under this coverage is \$5,000.

B. We do not cover:

1. Cargo on a vehicle after it has remained at any location for more than 72 hours. This includes locations that you own or use.
2. Cargo on a detached truck body. We do cover this property when the body is attached to or loaded on a truck chassis.
3. Cargo that belongs to others. We do cover property that you have sold and are delivering to your customers.
4. Money. This means currency, coins, bank notes, money order, traveler’s checks, bullion and similar items.
5. Securities. These are any negotiable or non-negotiable agreements in writing that have value. They include revenue stamps, other stamps in current use, and tokens and tickets.
6. Accounts, bills, deeds or an evidence of debt.
7. Jewelry, watches and other items that consist wholly or in part of silver, gold, platinum or precious or semi-precious stones.
8. Fine arts.
9. Livestock or poultry.
10. Liquor and tobacco products.
11. Furs, or garments trimmed with or made principally of fur.
12. Textiles.
13. Tires or tubes.
14. Damage to a vehicle.
15. Tarpaulins or wrapping materials.

C. Perils Covered:

We cover direct physical loss to covered cargo unless the loss is caused by a peril that is excluded. The loss must be due to an external cause.

D. Perils Excluded:

We do not pay for a loss if one or more of the following excluded perils apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded peril. We do not pay for a loss that results from:

1. A dishonest or illegal act, alone or in collusion with another, by:
  - a. You;
  - b. Others who have an interest in the property;
  - c. Others to whom you entrust the property; or
  - d. The employees or agents of a., b. or c. whether or not they are at work.
  - e. We do not cover loss caused by dishonest acts by another carrier or bailee you hire.
2. Mysterious disappearance or shortage.
3. Theft of a part of the contents of any shipping package.
4. Misdelivery; Failure of seed to germinate; or error in mechanical mixture of seed.
5. Corrosion or rust.
6. The following:
  - a. Breakage;
  - b. Marring or scratching;
  - c. Leakage, evaporation or shrinkage;
  - d. Mold or rot;
  - e. Property becoming spoiled, soured, scented, discolored or changed flavor;
  - f. Contact with oil; or
  - g. The contact of one commodity with another

We do cover these losses if they are caused by fire; lightning; windstorm; earthquake; flood; smoke; explosion; aircraft, spacecraft, self-propelled missiles and objects that fall from these items; vehicles; collision; upset or overturn of a vehicle; collapse of a bridge or culvert; vandalism; theft; attempted theft; or collapse of buildings.

7. Mechanical or electrical breakdown or failure. If a fire or explosion results, we do cover the loss caused by the fire or explosion.
8. Breakdown or failure of a refrigeration unit.
9. Breakdown or failure of heating equipment installed in a cargo compartment.
10. Rough handling or poor packing.
11. Loading cargo onto or unloading it from a described vehicle.
12. Strike, riot or civil commotion.

In the event that coverage is provided for under another section of this policy, this coverage will be in addition to any higher limit you purchase and only the highest, single deductible will apply at the time of loss.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

**31. NON-DEPRECIATION OF PARTIAL LOSS TO AGRICULTURAL EQUIPMENT -**

For partial loss to an item of Agricultural Equipment covered under Coverage D. SCHEDULED FARM PERSONAL PROPERTY or Coverage E. UNSCHEDULED FARM PERSONAL PROPERTY, we will pay the Replacement Cost Value of such loss or damage, subject to the following:

A. The most we will pay in any one occurrence is the least of:

1. The amount actually and necessarily spent to repair the damaged item; or
2. The Actual Cash Value for that item.

We will consider only parts, materials, regular non-overtime labor charges, and taxes as part of any partial loss.

B. The loss or damage is more than \$1,000, you can make an initial claim for payment on an Actual Cash Value basis, and later make a supplementary claim for Replacement Cost payment. If you elect to exercise this option, you must notify us of your intention, in writing, within 90 days of the date of loss.

C. For any item of Agricultural Equipment that you elect not to repair, the value will be the least of the following:

1. Actual Cash Value of the item at time of loss; or
2. Cost of reasonably restoring that item to its condition immediately before the loss or damage.

D. For the purpose of this additional coverage, Agricultural Equipment includes:

1. Tractors
2. Harvesters
3. Threshers
4. Combines
5. Cotton Pickers

E. Items this coverage does not apply to:

1. Equipment over 5 model year old; and
2. Any battery, tire, filter, belt, chain or canvas that is part of any item of Agricultural Equipment.

F. A deductible of \$250 is applicable to this additional coverage.

Under **SECTION II – ADDITIONAL COVERAGES**, the following is amended:

**4. PROPERTY IN CONTROL OF THE INSURED (FIRE LEGAL LIABILITY) -**

Increased from \$50,000 to \$100,000.

Under **SECTION II – ADDITIONAL COVERAGES**, the following is added:

**6. CUSTOM FARMING -**

We will pay those sums that the “insured” becomes legally obligated to pay as damages arising out of the “insured’s” performance or failure to perform custom “farming” operations for others for a charge under contract or agreement.

But this additional coverage will apply only if your receipts during the 12 months preceding this policy’s inception date from such custom “farming” operations do not exceed \$10,000.

All exclusions under COVERAGE G – FARM AND PERSONAL LIABILITY apply except **4.d** with respect to custom “farming” coverage provided above.

Under **SECTION II – CONDITIONS**, the following are amended:

**1. LIMIT OF INSURANCE, b. Coverage H – Medical Payments, -**

The limit is amended from \$1,000 to \$5,000. In the event that coverage is provided for under another section of this policy, this coverage will be in addition to any higher limit you purchase and only the highest, single deductible (if applicable) will apply at the time of loss.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.

Under **GLOSSARY**, the following definitions are added:

26. For purposes of Identity Fraud, "Expenses" means:
  - a. Costs for notarizing affidavits or similar documents and certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors or agencies.
  - b. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day with a total payment for lost income not to exceed \$2,500.
  - c. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
  - d. Reasonable attorney fees incurred as a result of identity fraud to:
    - 1) Defend lawsuits brought against you by merchants, financial institutions or their collection agencies;
    - 2) Remove any criminal or civil judgments wrongly entered against you; and
    - 3) Challenge the accuracy or completeness of any information in a consumer credit report.
  - e. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
27. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of you with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

All other terms, conditions, exclusions and agreements of the policy shall remain unchanged.