

FARM PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H. – DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the "insured location" described in the Declarations, or elsewhere as expressly provided below, caused by or resulting from any Covered Cause of Loss.

COVERAGE A – DWELLINGS

1. Covered Property

The following are Covered Property under Coverage A of this Coverage Form:

- a. Each "dwelling" owned by you and for which a Limit of Insurance is shown in the Declarations. The "dwelling" may be located on or away from the "insured location";
- b. Structures attached to covered "dwellings", except structures attached only by a fence, utility line or similar connection;
- c. Materials on the "insured location" intended for use in building, altering or repairing the covered "dwellings" or their attached structures;
- d. If not otherwise covered in this policy, building and outdoor equipment used principally for the service of the covered "dwelling", its grounds or structures appurtenant to it, including equipment temporarily away from the premises.

2. Property Not Covered

Under Coverage A, Covered Property does not include:

- a. Land (including land on which the "dwelling" is located);
- b. Water; or
- c. Trees, shrubs, plants or lawns, except to the extent permitted by Coverage Extension b.

3. Special Limit of Insurance Under Coverage A

Outdoor radio and TV antennas and satellite dishes attached to covered "dwellings" are subject to a Special Limit of Insurance of \$250 in any one occurrence. This Special Limit is part of, not in addition to, the Coverage A Limit of Insurance.

This Special Limit of Insurance applies in excess of any applicable Deductible.

If a higher Limit of Insurance is specified in the Declarations, the higher limit will apply.

4. Covered Causes of Loss

See Section B. Covered Causes of Loss.

5. Additional Coverages

See separate list of Additional Coverages under Section D.

6. Coverage Extensions

See list, following Coverage C, of COVERAGE EXTENSIONS TO COVERAGES A, B AND C.

7. Coverage A Conditions

Coverage A is subject to the following Loss Condition as well as to the Farm Property Conditions and the Common Policy Conditions.

Loss Condition – Valuation

a. Property

- (1) The basis for loss settlement will be determined by the ratio of the Coverage A Limit of Insurance to the full replacement cost of the destroyed or damaged Covered Property. When determining the full replacement cost, the values of the following will be disregarded:

- (a) Excavations;
- (b) Foundations; and

- (c) Piers and other supports below the undersurface of the lowest basement floor; or, where there is no basement, those below the surface of the ground inside the foundation walls; also underground flues, pipes, wiring and drains.
- (2) If the Limit of Insurance on the damaged structure is at least 80% of its full replacement cost as of the time of loss, we will settle the loss based on the smallest of the following amounts:
- (a) The cost to replace the damaged part of the structure with equivalent construction for use on the same premises.
 - (b) The amount actually and necessarily spent to repair or replace the structure.
 - (c) The applicable Limit of Insurance.
- (3) If the Limit of Insurance on the damaged structure is less than 80% of its full replacement cost as of the time of loss, we will settle on the basis of (a) or (b) below, whichever is larger:
- (a) The actual cash value, as of time of loss, of the damaged part of the structure.
 - (b) A proportion of the cost to repair or replace the damaged part of the structure, without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.

However, we will not pay more than the applicable Limit of Insurance, regardless of whether (a) or (b) above applies.

- (4) If your loss qualifies for payment on a replacement cost basis, but the cost of repair or replacement is more than either \$1,000 or 5% of the applicable Limit of Insurance, the only basis on which we will settle pending completion of repairs or replacement is actual cash value, as of time of loss, of the damaged part of the structure. In case of such a loss you can make an initial claim for payment on the 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 within 180 days of the occurrence of the loss.

b. Glass Replacement

We will settle on the basis of the cost to replace damaged glass with safety glazing material, if required by law.

COVERAGE B – OTHER PRIVATE STRUCTURES APPURTENANT TO DWELLINGS

1. Covered Property

a. Structures Used Solely as Private Garages

You may apply, as an additional amount of insurance, up to 10% of the Limit of Insurance shown in the Declarations for COVERAGE A – DWELLINGS to unattached structures used solely as private garages, including outdoor radio and TV antennas and satellite dishes attached to such garages.

b. Private Structures

All of the following are Covered Property under Coverage B of this Coverage Form, provided a Limit of Insurance is shown in the Declarations:

Private structures you own (including private garages for which the coverage provided under 1.a. is inadequate), that are appurtenant to a covered "dwelling" and:

- (1) Separated from it by clear space; or
- (2) Attached to it only by a fence, utility line or similar connection.

2. Property Not Covered

Under Coverage B, Covered Property does not include:

- a. Land (including land on which the other structures are located);
- b. Water;
- c. Structures (other than private garages) that you rent or hold for rental to any person who is not a tenant of the covered "dwelling" you occupy; or
- d. Structures (other than private garages) that you use principally for farming purposes.

3. Special Limit of Insurance Under Coverage B

Outdoor radio and TV antennas and towers and satellite dishes are subject to a Special Limit of Insurance of \$250 in any one occurrence. This Special Limit is part of, not in addition to, the Coverage B Limit of Insurance.

This Special Limit of Insurance applies in excess of any applicable Deductible.

If a higher Limit of Insurance is specified in the Declarations, the higher limit will apply.

4. Covered Causes of Loss

See Section B. Covered Causes of Loss.

5. Additional Coverages

See separate list of Additional Coverages under Section D.

6. Coverage Extensions

See list, following Coverage C, of COVERAGE EXTENSIONS TO COVERAGES A, B AND C.

7. Coverage B Conditions

Coverage B is subject to the Valuation Loss Condition shown in paragraph 7. under Coverage A. It is also subject to the Farm Property Conditions and the Common Policy Conditions.

COVERAGE C – HOUSEHOLD PERSONAL PROPERTY

1. Covered Property

All of the following are Covered Property under Coverage C of this Coverage Form, provided a Limit of Insurance is shown in the Declarations:

Household personal property meaning:

- a. Household personal property owned or used by you or members of your family who reside with you, while such property is on the "insured location"; and
- b. At your request, household personal property of others while the property is:
 - (1) In a part of the "dwelling" you occupy; or
 - (2) On the grounds appurtenant to that "dwelling" if you own it.

2. Property Not Covered

Under Coverage C, Covered Property does not include:

- a. Articles separately described and specifically covered under this or any other insurance;
- b. Aircraft and aircraft parts;
- c. Trees, shrubs, plants and lawns that you own as a tenant, except to the extent provided for in paragraph b. of the COVERAGE EXTENSIONS TO COVERAGES A, B AND C;
- d. Animals, birds or fish;
- e. "Business property" except to the extent provided for in paragraphs f. and g. under Section 3. Special Limits of Insurance Under Coverage C;
- f. Magnetic recording or storage media for electronic data processing, such as cell, disc, drum, film and tape, over or above their replacement value:
 - (1) As prepackaged software programs; or
 - (2) In unexposed or blank form; whichever is greater.
- g. Any device or instrument for the transmitting, recording, receiving or reproducing of sound or pictures that is operated by power from the electrical system of motor vehicles or motorized land conveyances of any kind, including while in or on the vehicle:
 - (1) Accessories and antennas; and
 - (2) Tapes, wires, records, discs or other media;for use with any such device or instrument. But Covered Property includes items specifically scheduled in the Declarations.

- h. "Farm personal property", other than office fixtures, furniture and office equipment;
- i. Any motor vehicle or motorized land conveyance, or its equipment or accessories. But Covered Property includes vehicles not licensed for road use that are:
 - (1) Used only for servicing an "insured's" "dwelling", its grounds or structures appurtenant to it; or
 - (2) Designed and used for assisting the handicapped.

3. Special Limits of Insurance Under Coverage C

Certain categories of household personal property are subject to Special Limits of Insurance. These Special Limits are part of, not in addition to, the applicable Limit of Insurance shown in the Declarations, and apply in excess of any applicable deductible. The Special Limit shown with any category listed below is the most we will pay for loss of or damage to all property in that category in any one occurrence:

- a. \$200 on gold other than goldware, "money", platinum and silver other than silverware;
- b. \$1,500 on letters of credit, manuscripts, passports and "securities";
- c. \$1,500 on watercraft, including their equipment, furnishings, outboard engines or motors, and trailers;
- d. \$1,500 on trailers not used with watercraft nor for farming operations;
- e. \$1,000 on gravemarkers;
- f. \$2,500 on "business property" on the "insured location";
- g. \$250 on "business property" off the "insured location"; and
- h. In the event of loss by theft:
 - (1) \$1,500 on furs, jewelry, precious and semiprecious stones, and watches;
 - (2) \$2,500 on goldware, goldplated ware, silverware, silverplated ware and pewterware; this property includes plated-ware, flatware, hollowware, tea sets, trays, trophies and the like; also other utilitarian items made of or containing silver, gold or pewter; and
 - (3) \$2,500 on firearms.

4. Covered Causes of Loss

See Section B. Covered Causes of Loss.

5. Additional Coverages

See separate list of Additional Coverages under Section D.

6. Coverage Extensions

See list, following Coverage C, of COVERAGE EXTENSIONS TO COVERAGES A, B AND C.

7. Coverage C Conditions

Coverage C is subject to the following Loss Condition as well as to the Farm Property Conditions and the Common Policy Conditions.

Loss Condition – Valuation

In the event of loss of or damage to covered household personal property, we will settle at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

COVERAGE EXTENSIONS TO COVERAGES A, B AND C

a. Extension of Coverages A, B and C

The words "you" and "your", throughout this Coverage Form, include your spouse if a resident of the same household.

b. Extension of Coverages A and B or C

Trees, Shrubs, Plants and Lawns

Trees, shrubs, plants and lawns located within 250 feet of a covered "dwelling" are Covered Property but only if loss or damage is caused by or results from any of the following Covered Causes of Loss: fire or lightning, explosion, riot, civil commotion, aircraft, vehicles not owned or operated by a resident of the covered "dwelling", vandalism, or theft.

For all damaged or destroyed trees, shrubs, plants or lawns located within 250 feet of a covered "dwelling", the most we will pay under this Extension is:

- (1) 5% of the Coverage A Limit of Insurance shown in the Declarations for the "dwelling"; or
- (2) 10% of the Coverage C Limit of Insurance shown in the Declarations if you are a tenant.

However, we will not pay more than \$500 for any one damaged or destroyed tree, shrub, plant or lawn.

This Extension is additional insurance.

We will not pay for loss of or damage to trees, shrubs, plants or lawns grown for business or farming purposes.

c. Extensions of Coverage C Applicable Whether You Are Owner or Tenant

Each of the following Extensions is part of, not in addition to, the applicable Limit of Insurance.

(1) Household Personal Property of "Insureds" Away from the "Insured Location"

Covered Property is extended to mean household personal property anywhere in the world, provided it is owned or used by you or members of your family who reside with you on the "insured location".

But "insured's" household personal property at any "insured's" residence away from the "insured location" shown in the Declarations is subject to a Special Limit of Insurance equal to:

- (a) 10% of the Limit of Insurance shown in the Declarations for Household Personal Property; or
- (b) \$1,000;

whichever is greater. However, if a higher limit of insurance is shown in the Declarations, the higher limit applies. The only such property not permanently subject to the Special Limit is household personal property at a newly acquired principal residence. For a period of 30 days immediately after you begin moving it to the newly acquired principal residence, this property will be subject to the Limit of Insurance shown in the Declarations for Household Personal Property. That Limit will apply on a pro rata basis during the 30-day period to personal property at both locations.

(2) Refrigerated Products – Not "Farm Personal Property"

- (a) We will pay up to \$500 for loss of or damage to contents of a freezer or refrigerated unit, in the "dwelling" you occupy or a structure appurtenant to it, caused by a change in temperature due to:
 - (i) Interruption of electrical service to refrigeration equipment, caused by damage to generating or transmission equipment; or
 - (ii) Mechanical or electrical breakdown of a refrigeration system.
- (b) Under this Coverage Extension we will not pay for loss of or damage to:
 - (i) "Farm personal property"; or
 - (ii) Property not owned by you.
- (c) This Coverage Extension will not apply unless you maintain the refrigeration equipment in proper working order.
- (d) No deductible applies to this Refrigerated Products Extension of Coverage.

d. Extension of Coverage C Applicable Only if You Are a Tenant Building Additions and Alterations

(1) Coverage

Your insurance under COVERAGE C – HOUSEHOLD PERSONAL PROPERTY includes building additions, alterations, fixtures, improvements or installations made or acquired at your expense to that part of the "dwelling" used exclusively by you. The Limit of Insurance for this Coverage Extension is 10% of the Limit of Insurance that applies to Household Personal Property. But if a higher Limit of Insurance is shown in the Declarations, the higher Limit applies.

This Extension is additional insurance.

(2) Loss Settlement

If the repair or replacement is done at the expense of the "insured" within 12 months after the loss, we will settle the loss on the basis of actual cash value as of time of loss.

If the repair or replacement is not done within 12 months after loss, we will settle on the basis of a proportion of the cost of repair or replacement. This proportion will equal the ratio of **(a)** below to **(b)** below.

- (a)** The period of time from the loss or damage to the expiration of the lease.
- (b)** The period of time from the installation of the improvements to the expiration of the lease.

Lease means the lease, whether written or oral, in effect at the time of the loss.

If your lease contains a renewal option, and if you exercise that option, the expiration of the renewal option period will replace the expiration of the lease in **(a)** and **(b)** above.

If repair or replacement is done at the expense of others for the use of the "insured", we provide no insurance.

COVERAGE D – LOSS OF USE

1. Coverage

We cover, up to the Limit of Insurance shown in the Declarations for Coverage D:

a. Your Additional Living Expense

If a Covered Cause of Loss renders your principal living quarters uninhabitable, we will pay any necessary increase in living expense you incur so that your household can maintain its normal standard of living, provided that such uninhabitable quarters are located in:

- (1)** A "dwelling" covered under Coverage A; or
- (2)** The "dwelling" in which covered Household Personal Property is located, if you are a tenant.

Payment under this Additional Coverage will be for the shortest time required for repair or replacement of the damaged property, or, if you relocate, the shortest time required for your household to settle elsewhere.

b. Fair Rental Value

If a Covered Cause of Loss renders uninhabitable any portion of:

- (1)** A "dwelling" covered under Coverage A; or
- (2)** An appurtenant structure covered under Coverage B;

that you, as the owner, rent or hold for rental to others as a residence or private garage, we will pay for the Fair Rental Value loss you sustain.

But we will exclude from our payment any expenses that do not continue while the rental portion is uninhabitable.

Payment under this Additional Coverage will be for the shortest time required for repair or replacement of the damaged property.

c. Loss and Expense Due to Emergency Prohibition Against Occupancy

We will pay for the Additional Living Expense and Fair Rental Value loss you sustain if a civil authority prevents use of the "dwelling" or appurtenant structure because of direct damage to neighboring premises by a Covered Cause of Loss.

But we will not pay parts of such loss or expense that are incurred:

- (1)** After a period of 2 weeks has elapsed; or
- (2)** Due to cancellation of a lease or agreement.

The period of our liability under Loss of Use is not limited by the expiration of this policy.

No Deductible applies to Coverage D.

2. Coverage Extension

The words "you" and "your", throughout this Coverage Form, include your spouse if a resident of the same household.

3. Coverage D Conditions

See Farm Property Conditions and Common Policy Conditions.

COVERAGE E – SCHEDULED FARM PERSONAL PROPERTY

1. Covered Property

All of the following are Covered Property under Coverage E of this Coverage Form, provided a Limit of Insurance is shown in the Declarations for the specific type of property:

- a. Grain, threshed seeds and beans, ground feed, silage, and manufactured and blended "livestock" feed in buildings or structures or in sacks, wagons or trucks.
- b. Grain in stacks, shocks, swaths or piles in the open, but for this property fire and lightning, vandalism, vehicles and theft are the only Covered Causes of Loss.
- c. Hay, straw and fodder:
 - (1) In buildings or structures; and
 - (2) In stacks, windrows or bales, but for this property fire or lightning, windstorm or hail, vandalism, vehicles and theft are the only Covered Causes of Loss.
 A stack means hay, straw or fodder in one area separated by a clear space of 100 feet or more from any other hay, straw or fodder in the open.
- d. Farm products, materials and supplies shown in the Declarations. These include farm materials and related packing materials and containers usual to the operations of a farm, but not hay, grain or any growing crops.
- e. "Poultry" (excluding turkeys unless specified):
 - (1) In the open; or
 - (2) In any building designated for "poultry" in the Declarations.
- f. Trays, boxes and box shoo, each item or set in the proportion that its value bears to the total value of all trays, boxes and box shoo covered under this Coverage Form.
- g. Computers and related software used principally as aids in farm management.
 But an item of software is Covered Property only up to the amount required to replace it as a prepackaged program, or in unexposed or blank form, whichever is greater.
- h. Miscellaneous equipment, usual or incidental to the operation of a farm, including machinery, vehicles, tools, and supplies of all kinds.

But such miscellaneous farm equipment does not include:

- (1) Threshing machines, tractors, combines, corn pickers, hay balers, harvesters, peanut diggers, potato diggers and pickers, cotton pickers, crop driers or sawmill equipment;
 - (2) Automobiles, trucks, motorcycles, motorized bicycles or tricycles, mopeds, dirt bikes, snowmobiles, four-wheel all-terrain vehicles; mobile homes, house trailers; vehicles primarily designed and licensed for road use (other than farm wagons and farm trailers); watercraft or aircraft; or the equipment, tires or parts of any of these;
 - (3) Liquefied petroleum or manufactured gas or fuel, or their containers;
 - (4) Bulk milk tanks, bulk feed tanks or bins attached to buildings or structures; barn cleaners, pasteurizers or boilers; any permanent fixtures within or attached to a building;
 - (5) Brooders;
 - (6) Fences, windchargers, windmills or their towers;
 - (7) Outdoor radio or television equipment or wiring; private power and light poles;
 - (8) Irrigation equipment;
 - (9) Portable buildings and portable structures;
 - (10) Household personal property or property usual to a "dwelling"; or
 - (11) Property more specifically covered under another Coverage or Coverage Form of this or any other policy.
- i. Borrowed farm machinery, vehicles and equipment, meaning property:
- (1) That is usual or incidental to farming operations;
 - (2) That is in your care, custody or control; and
 - (3) In which you have no interest as owner or lienholder.

But such borrowed farm machinery, vehicles and equipment do not include:

- (1) Automobiles, trucks, motorcycles, motorized bicycles or tricycles, mopeds, dirt bikes, snowmobiles, four-wheel all-terrain vehicles; mobile homes, house trailers; vehicles primarily designed and licensed for road use (other than farm wagons and farm trailers); watercraft or aircraft; or the equipment, tires or parts of any of these; or
- (2) Dealers' demonstration machinery, vehicles or equipment.

Borrowed farm machinery is Covered Property under this Coverage Form only to the extent that it is not covered under another Coverage Form of this or any other policy of the "insured".

- j. Farm machinery, vehicles and equipment which are individually described and specifically covered in the Declarations, while on or away from the "insured location", except while in the custody of a common or contract carrier.
- k. "Livestock" on or away from the "insured location".

But we do not cover "livestock" while:

- (1) In the custody of a common or contract carrier;
- (2) At public stockyards, sales barns or sales yards; or
- (3) At packing plants or slaughterhouses.

- l. Bees.
- m. Worms.
- n. Fish.
- o. Other animals.
- p. Portable buildings and portable structures that you own.

2. Property Not Covered

Under Coverage E, Covered Property does not include:

- a. Growing crops, trees, plants, shrubs or lawns;
- b. Household personal property or property usual to a "dwelling";

- c. Magnetic recording or storage media for electronic data processing, such as cell, disc, drum, film and tape, over or above their replacement value:

- (1) As prepackaged software programs; or
 - (2) In unexposed or blank form;
- whichever is greater.

- d. Any permanent fixtures within or attached to a building; or
- e. Outdoor radio or television equipment or wiring; private power and light poles.

3. Special Limits of Insurance Under Coverage E

Under Coverage E, certain individual items of "farm personal property" are subject to Special Limits of Insurance. These Special Limits are part of, not in addition to, the applicable Limits of Insurance shown in the Declarations, and apply in excess of any applicable Deductible.

- a. If no specific stack limit is shown in the Declarations for hay, straw or fodder in the open, the Limit will be \$10,000 on any one stack.
- b. For covered "poultry", the Limit of Insurance per bird under any provision of this Coverage Form applicable to "poultry" will be its cash market value as of the time of loss.
- c. The Limit of Insurance on any one item of miscellaneous equipment is \$2,000.
- d. The most we will pay for loss of or damage to any one head of "livestock" (other than animals individually described and specifically covered under this coverage) is the least of the following amounts:
 - (1) 120% of the amount obtained by dividing the total insurance on the class and type of animal involved by the number of head of that class and type owned by you as of the time of loss.
 - (2) The actual cash value of the animal destroyed or damaged.
 - (3) \$2,000.

Each horse, mule or head of cattle under one year of age as of time of loss will be counted as 1/2 head.

4. Covered Causes of Loss

See Section B. Covered Causes of Loss.

5. Additional Coverages

See separate list of Additional Coverages under Section D.

6. Coverage Extensions Under Coverage E

a. The words "you" and "your", throughout this Coverage Form, include your spouse if a resident of the same household.

b. Covered Property Away From the "Insured Location"

(1) Coverage is extended to apply to Covered Property while away from the "insured location", for up to a certain percentage of the Limit of Insurance shown in the Declarations for the specific type of property, as follows:

(a) 25%, for Miscellaneous Equipment Usual or Incidental to the Operation of a Farm; or

(b) 10%, for other types of property.

(2) This Coverage Extension is part of, not in addition to, the applicable Limit of Insurance or Special Limit of Insurance.

(3) This Coverage Extension does not apply to:

(a) "Livestock" or individually insured farm machinery, vehicles or equipment which are described in paragraph 1.j. or 1.k. of Covered Property;

(b) Property while in the custody of a common or contract carrier;

(c) Property stored or being processed in manufacturing plants, public elevators, warehouses, seed houses or commercial drying plants; or

(d) Property in public sales barns or public sales yards.

(4) Under this Coverage Extension, the greatest proportion we will pay of any one loss is the proportion we would have paid if every policy covering the property involved in the loss had provided the same coverage as this Coverage Extension.

c. Property in the Custody of a Common or Contract Carrier

Coverage is extended to apply to "farm personal property", insured under Coverage E, while in the custody of a common or contract carrier, for up to a total of \$1,000. However, if a higher limit is specified in the Declarations for Coverage E Property in the Custody of a Common or Contract Carrier, the higher limit will apply instead of \$1,000.

d. Replacement Machinery, Vehicles and Equipment Newly Purchased

A Special Limit of Insurance equal to \$50,000 plus the corresponding limit specified in the Declarations for individually scheduled items of Farm Machinery, Vehicles and Equipment applies to any item of property purchased as a replacement of such machinery, vehicle or equipment.

The additional \$50,000 coverage will end:

(1) 30 days after the date of purchase of the replacement item; or

(2) When this policy expires;
whichever comes first.

In no event will we pay more than the actual cash value as of the time of loss.

A newly purchased vehicle or item of machinery or equipment is covered under this Coverage Extension only to the extent that it is not covered under another Coverage or Coverage Form of this or any other policy of the "insured".

e. Additional Machinery, Vehicles and Equipment Newly Purchased

- (1) Coverage on such items of farm equipment, machinery and vehicles such as tractors, combines, harvesters, corn pickers and hay balers, will extend to apply to newly purchased additional farm equipment, machinery and vehicles.
- (2) The most we will pay under this Coverage Extension is \$100,000 for loss of or damage to all such Newly Purchased Additional Farm Equipment, Machinery and Vehicles. This \$100,000 Limit is part of, not in addition to, the applicable Limit of Insurance.
- (3) When values for Newly Purchased Additional Farm Equipment, Machinery and Vehicles are reported under this Coverage Extension, additional premium for these values will be due and payable from the date of purchase.
- (4) None of the following is covered under this Coverage Extension:
 - (a) Automobiles, trucks, motorcycles, motorized bicycles or tricycles, mopeds, dirt bikes, snowmobiles; three-wheel all-terrain vehicles; mobile homes or house trailers; vehicles primarily designed and licensed for road use (other than farm wagons and farm trailers); watercraft, aircraft; or their equipment, tires or parts;
 - (b) Liquefied petroleum or manufactured gas or fuel, or their containers;
 - (c) Brooders, fences, windchargers, windmills or their towers; or
 - (d) Any farm equipment, machinery, or vehicles purchased as replacements of equipment, machinery, vehicles or equipment specifically described in the Declarations.
- (5) This Coverage Extension will end:
 - (a) 30 days after the date of acquisition of the additional item; or
 - (b) When this policy expires; whichever comes first.

- (6) Newly Purchased Additional Farm Equipment Machinery and Vehicles are covered under this Coverage Extension only to the extent that they are not covered under another Coverage or Coverage Form of this or any other policy of the "insured".

f. Additional Acquired Livestock

- (1) If Coverage E covers "livestock"
 - (a) Specifically declared and described in the Coverage E Declarations; or
 - (b) With separate Limits of Insurance per class shown in the Coverage E Declarations;

we will cover additional "livestock" you acquire during the policy period, for up to 30 days from acquisition.
- (2) The most we will pay under this Coverage Extension is the lesser of:
 - (a) The actual cash value of such property; or
 - (b) 25% of the total of the Limits of Insurance shown in the Coverage E Declarations for:
 - (i) Specifically declared and described "livestock"; and
 - (ii) "Livestock" with separate limits per class.
- (3) You must report such property within 30 days from the date acquired and pay any additional premium due. If you do not report such property, coverage will end 30 days after the date the property is acquired.

7. Coverage E Conditions

Coverage E is subject to the following Loss Conditions as well as to the Farm Property Conditions and the Common Policy Conditions.

Loss Conditions

a. Portable Buildings and Portable Structures that You Own

The most we will pay for loss of or damage to this property in any one occurrence is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the value of all portable buildings and portable structures you own as of the time of loss.

b. Pro Rata Distribution – Applicable Only to Grain, Hay, Straw and Fodder, to Farm Machinery, Vehicles and Equipment, and to Poultry in Unheated Buildings.

This Condition applies only if Scheduled "farm personal property" is covered at more than one "insured location". The Limit of Insurance for any category of covered "farm personal property" mentioned in the heading of this Condition will apply at any one "insured location" in the proportion that the value of Covered Property in that category at that location bears to the value of all Covered Property in that category at all "insured locations".

c. Livestock, Poultry, Bees, Fish, Worms and Other Animals

With respect to "livestock", "poultry", bees, fish, worms, and other animals, the term loss means death or destruction caused by, resulting from or made necessary by a covered cause of loss.

d. Valuation

In the event of loss of or damage to covered "farm personal property", we will settle at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

e. Coverage Territory

We cover loss or damage commencing within the coverage territory. The coverage territory is:

- (1) The United States of America;
- (2) Puerto Rico; and
- (3) Canada.

COVERAGE F – UNSCHEDULED FARM PERSONAL PROPERTY

1. Covered Property

All of the following are Covered Property under Coverage F of this Coverage Form, provided a Limit of Insurance is shown in the Declarations:

a. All items of "farm personal property" on the "insured location", except for items specified under paragraph 2. Property Not Covered; and

b. The following items of "farm personal property" away from the "insured location":

(1) Grain, ground feed, fertilizer, fodder, hay, herbicides, manufactured and blended "livestock" feed, pesticides, silage, straw, threshed beans and threshed seeds, except while:

(a) Being stored or processed in commercial drying plants, manufacturing plants, public elevators, seed houses or warehouses; or

(b) In the custody of a common or contract carrier.

(2) "Livestock", except while:

(a) In the custody of a common or contract carrier;

(b) At public stockyards, sales barns or yards; or

(c) At packing plants or slaughterhouses.

(3) Farm machinery, equipment, implements, tools and supplies, except:

(a) Items specified under paragraph 2. Property Not Covered; or

(b) While in the custody of a common or contract carrier.

2. Property Not Covered

Covered Property does not include:

a. Household or personal property usual to a "dwelling";

b. Magnetic recording or storage media for electronic data processing, such as cell, disc, drum, file and tape, over or above their replacement value:

(1) As prepackaged software programs; or

(2) In unexposed or blank form;

whichever is greater.

- c. Animals other than "livestock";
- d. "Poultry", bees, fish or worms;
- e. Racehorses, show horses or show ponies;
- f. Any of the following while being stored or processed in manufacturing plants, public elevators, warehouses, seed houses or commercial drying plants: grain, threshed seeds, threshed beans, hay, straw, fodder, silage, ground feed, herbicides, fertilizer, manufactured or blended "livestock" feed;
- g. Trees, plants, shrubs or lawns;
- h. Tobacco, cotton, vegetables, root crops, potatoes, bulbs, fruit or nursery stock;
- i. Crops in the open, except to the extent provided for under **6. Coverage Extensions to Coverage F**;
- j. Contents of chicken fryer or broiler houses, laying houses, "poultry" brooder or duck or turkey houses;
- k. Automobiles, trucks, motorcycles, motorized bicycles or tricycles, mopeds, dirt bikes, snowmobiles, four-wheel all-terrain vehicles; mobile homes, house trailers; vehicles primarily designed and licensed for road use (other than farm wagons and farm trailers); watercraft or aircraft; or the equipment, tires or parts of any of these;
- l. Fences; windmills or windchargers or their towers;
- m. Bulk milk tanks, bulk feed tanks or bins attached to buildings or structures; barn cleaners, pasteurizers or boilers; any permanent fixtures within or attached to a building;
- n. Outdoor radio or television equipment;
- o. Portable buildings or portable structures;
- p. Irrigation equipment;
- q. Property separately described and specifically covered in whole or in part under another Coverage or Coverage Form of this or any other policy;
- r. Cotton pickers and harvester-thresher combines; or
- s. Any property shown in the Declarations under the heading OTHER PROPERTY NOT COVERED UNDER COVERAGE F.

3. Special Limits of Insurance Under Coverage F

Under Coverage F, individual "livestock" are subject to Special Limits of Insurance. These Special Limits are part of, not in addition to, the applicable Limit of Insurance shown in the Declarations, and apply in excess of any applicable Deductible.

The most we will pay for loss of or damage to any one head of "livestock" is:

- a. \$1,000 on any horse, mule or head of cattle under one year of age as of time of loss; and
- b. \$2,000 on any head of "livestock" not included under **a.** above.

If it becomes necessary to impose the penalty provided for in the last sentence of the Coverage F Loss Condition – Coinsurance (see **7.b.** below), no amount used as the actual cash value of an animal will exceed the applicable Limit of Insurance specified above.

4. Covered Causes of Loss

See Section **B.** Covered Causes of Loss.

5. Additional Coverages

See separate list of Additional Coverages under Section **D.**

6. Coverage Extensions to Coverage F

- a. The words "you" and "your", throughout this Coverage Form, include your spouse if a resident of the same household.

b. Farm Products in the Open – Coverage Against Certain Causes of Loss

You may apply up to 10% of the Limit of Insurance shown in the Declarations for "farm personal property" to cover the following in the open:

- (1) Grain in piles, shocks, stacks or swaths;
- (2) Hay, straw and fodder in stacks, windrows or bales; but the most we will pay for loss or damage is \$10,000 for any one stack of hay, straw or fodder.

A stack means hay, straw or fodder in one area separated by a clear space of 100 feet or more from any other hay, straw or fodder in the open.

Fire or lightning, windstorm or hail, vandalism, vehicles and theft are the only Covered Causes of Loss for the property named in (1) and (2) above.

- (3) Unharvested barley, corn, oats, rye, wheat and other grains, flax, soy beans and sunflowers (but not on seed or forage crops, straw or stubble).

Fire or lightning is the only Covered Cause of Loss for this property.

This Extension is part of, not in addition to, the applicable Limit of Insurance.

c. Property in the Custody of a Common or Contract Carrier

Coverage is extended to apply to "farm personal property", insured under Coverage F, while in the custody of a common or contract carrier, for up to a total of \$1,000. However, if a higher limit is specified in the Declarations for Coverage F Property in the Custody of a Common or Contract Carrier, the higher limit will apply instead of \$1,000.

7. Coverage F Conditions

Coverage F is subject to the following Loss Conditions as well as to the Farm Property Conditions and the Common Policy Conditions.

Loss Conditions

a. Livestock

With respect to "livestock", the term loss means death or destruction caused by, resulting from or made necessary by a covered cause of loss.

b. Coinsurance

You must maintain insurance on unscheduled "farm personal property" to the extent of at least 80% of its actual cash value as of the time of loss. If you fail to do this, the percentage we pay of any loss will be the result produced by dividing the Limit of Insurance actually carried by the required Limit of Insurance.

The following provision applies in the event of loss of or damage to machinery or equipment within 30 days after the purchase of additional or replacement machinery or equipment.

If the Limit of Insurance actually carried becomes inadequate due to the purchase of additional or replacement machinery or equipment, then, up to \$50,000 of the value of the newly purchased machinery or equipment will be omitted in determining the required Limit of Insurance.

c. Valuation

In the event of loss of or damage to covered "farm personal property", we will settle at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

d. Coverage Territory

We cover loss or damage commencing within the coverage territory. The coverage territory is:

- (1) The United States of America;
- (2) Puerto Rico; and
- (3) Canada.

COVERAGE G – OTHER FARM STRUCTURES

1. Covered Property

All of the following are Covered Property under Coverage G of this Coverage Form, provided a Limit of Insurance is shown in the Declarations for the specific type of property:

- a. Farm buildings and structures other than "dwellings", including attached sheds and permanent fixtures;
- b. Silos individually described in the Declarations or on a schedule, whether or not attached to buildings;
- c. Portable buildings and portable structures;
- d. All fences (except field and pasture fences), corrals, pens, chutes and feed racks;
- e. Outdoor radio and TV equipment, antennas, masts and towers;
- f. Improvements and Betterments. Improvements and betterments are additions, alterations, fixtures or installations made part of the described building, but do not include items that may be legally removed by an "insured". If you are a tenant, we cover your use interest in the improvements and betterments you make at your expense to a building you do not own at the "insured location"; and
- g. Building Materials and Supplies:
 - (1) For use in building, altering or repairing farm buildings or structures; and
 - (2) Kept on or adjacent to the "insured location".

2. Property Not Covered

Covered Property does not include:

- a. Land (including land on which the other farm structure is located);
- b. Water;
- c. Field or pasture fences;
- d. Foundations, if below ground, of buildings or structures;
- e. Pilings, piers, wharves or docks; or
- f. The cost of excavations, grading, filling or backfilling.

3. Covered Causes of Loss

See Section **B**. Covered Causes of Loss.

4. Additional Coverages

See separate list of Additional Coverages under Section **D**.

5. Coverage Extensions to Coverage G

- a. The words "you" and "your", throughout this Coverage Form, include your spouse if a resident of the same household.

b. Private Power and Light Poles

We will pay up to \$250 in any one occurrence as an additional amount of insurance for direct physical loss of or damage to private power and light poles, outside wiring and attachments. Attachments include attached switch boxes, fuseboxes, and other electrical equipment mounted on poles you own at the "insured location". The \$250 Limit applies in excess of any applicable Deductible.

If specific private power and light poles are shown in the Declarations, the Limits of Insurance shown for them will be in addition to the \$250 Limit.

c. New Construction

- (1) We will pay up to \$100,000 for direct physical loss of or damage to new, permanent farm structures at the "insured location" including materials and supplies for use in their construction.
- (2) This Coverage Extension applies only:
 - (a) To structures that are not otherwise covered under this or any other policy; and
 - (b) To loss caused by aircraft, explosion, fire, lightning, riot or civil commotion, smoke, vandalism, vehicles, wind-storm or hail.
- (3) Insurance on each farm structure covered under this Coverage Extension will end as soon as any of the following takes place:
 - (a) You report values to us. (We will charge you an additional premium for values reported from the date construction begins or the materials and supplies are delivered.)
 - (b) 60 days have elapsed since the first date of delivery of the materials and supplies.

(c) This policy expires.

(4) This Coverage Extension is part of, not in addition to, the applicable Limit of Insurance.

6. Coverage G Conditions

Coverage G is subject to the following Loss Conditions as well as to the Farm Property Conditions and the Common Policy Conditions.

Loss Conditions

a. Fences, Corrals, Pens, Chutes, Feed Racks

The most we will pay in any one occurrence of loss of or damage to covered fences, corrals, pens, chutes and feed racks is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the value of all covered fences, corrals, pens, chutes and feed racks you own as of the time of loss.

b. Portable Buildings and Portable Structures

The most we will pay in any one occurrence of loss of or damage to portable buildings or portable structures is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the value of all portable buildings and portable structures you own as of the time of loss.

But this Condition does not apply to any portable building or portable structure individually covered under its own Limit of Insurance shown in the Declarations.

c. Valuation – Property Other than Improvements and Betterments

(1) If the Replacement Cost Basis option is **not** expressly indicated in the Declarations, we will, in the event of loss or damage to Covered Property, settle at the actual cash value, as of the time of loss, of the destroyed or damaged part of the structure, but we will not pay more than the amount necessary for repair or replacement.

(2) If the Replacement Cost Basis option is expressly indicated in the Declarations, loss valuation will be determined as provided below:

(a) The basis for loss settlement will be determined by the ratio of the applicable Limit of Insurance for the specific building to the full replacement cost of the destroyed or damaged Covered Property. When determining the full replacement cost, the values of the following will be disregarded:

(i) Excavations;

(ii) Foundations; and

(iii) Piers and other supports below the undersurface of the lowest basement floor; or, where there is no basement, those below the surface of the ground inside the foundation walls; also underground flues, pipes, wiring and drains.

(b) If the Limit of Insurance on the damaged structure is at least 80% of its full replacement cost as of the time of loss, we will settle the loss based on the smallest of the following amounts:

(i) The cost to replace the damaged part of the structure with equivalent construction for use on the same premises.

(ii) The amount actually and necessarily spent to repair or replace the structure.

(iii) The applicable Limit of Insurance.

(c) If the Limit of Insurance on the damaged structure is less than 80% of its full replacement cost as of the time of loss, we will settle on the basis of (i) or (ii) below, whichever is larger:

(i) The actual cash value, as of time of loss, of the damaged part of the structure.

(ii) A proportion of the cost to repair or replace the damaged part of the structure, without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.

However, we will not pay more than the applicable Limit of Insurance, regardless of whether (i) or (ii) above applies.

- (d) If your loss qualifies for payment on a replacement cost basis, but the cost of repair or replacement is more than either \$1,000 or 5% of the applicable Limit of Insurance, the only basis on which we will settle pending completion of repairs or replacement is actual cash value, as of time of loss, of the damaged part of the structure. In case of such a loss you can make an initial claim for payment on the 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 180 days of the occurrence of the loss.

d. Valuation – Improvements and Betterments

- (1) If repair or replacement is done at the expense of the "insured" within 12 months after the loss, we will settle the loss on the basis of actual cash value as of time of loss.
- (2) If repair or replacement is not done within 12 months after loss, we will settle on the basis of a proportion of the cost of repair or replacement. This proportion will equal the ratio of (a) below to (b) below.
- (a) The period of time from the loss or damage to the expiration of the lease.
- (b) The period of time from the installation of the improvements to the expiration of the lease.

Lease means the lease, whether written or oral, in effect at the time of the loss.

If your lease contains a renewal option and if you exercise that option, the expiration of the renewal option period will replace the expiration of the lease in (a) and (b) above.

- (3) If repair or replacement is done at the expense of others for the use of the "insured", we provide no insurance.

e. Valuation – Glass Replacement

We will settle on the basis of the cost to replace damaged glass with safety glazing material, if required by law.

B. COVERED CAUSES OF LOSS

Covered Causes of Loss means the causes as described and limited under either B.1. or B.2. or B.3. below in accordance with a corresponding entry of either BASIC or BROAD or SPECIAL, respectively, on the Declarations opposite each Coverage or property to which this insurance applies.

However, certain property is covered only for particular causes of loss, as listed under the following items: b. of Coverage Extensions to Coverages A, B and C; 1.b. and 1.c.(2) of Coverage E Covered Property; b. of Coverage Extension to Coverage F; c.(2) of Coverage Extensions to Coverage G.

1. Covered Causes of Loss – BASIC

Subject to B. above, when BASIC is shown in the Declarations, Covered Causes of Loss means the following:

a. Fire or Lightning

We will not pay for loss of or damage to buildings, or contents usual to a tobacco barn, if that loss or damage:

- (1) Results from the use of open fire for curing or drying tobacco in the barn; and
- (2) Occurs during, or within the 5-day period following, open-fire curing or drying.

b. Windstorm or Hail, but not including:

- (1) Frost or cold weather;
- (2) Ice (other than hail), snow or sleet, whether driven by wind or not; or
- (3) Loss of or damage to:

- (a) The interior of any building or structure, or the property inside a building or structure, caused by rain, snow, sleet, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sleet, sand or dust enters; or

- (b) Watercraft or their trailers, furnishings, equipment or outboard motors unless within a fully enclosed building.
- (c) Under Coverage E or Coverage F:
 - (i) "Livestock" or "poultry" when caused by running into streams, ponds or ditches, or against fences or other objects; or from smothering; or resulting directly or indirectly from fright;
 - (ii) "Livestock" or "poultry" when caused by freezing or smothering in blizzards or snowstorms; or
 - (iii) Dairy or farm products in the open other than hay, straw or fodder.
- c. **Explosion**, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages of such a vessel from which the gases of combustion pass.
 But under Coverages E, F and G this cause of loss does not include loss or damage caused by or resulting from:
 - (1) Explosion of alcohol stills, steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (2) Electric arcing;
 - (3) Rupture or bursting of water pipes;
 - (4) Rupture, bursting or operation of pressure relief devices; and
 - (5) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water.
- d. **Riot or Civil Commotion, including:**
 - (1) Acts of striking employees while occupying the "insured location"; and
 - (2) Looting occurring at the time and place of a riot or civil commotion.

e. Aircraft

Aircraft, meaning only loss or damage caused by or resulting from:

- (1) Contact of an aircraft, spacecraft or self-propelled missile with Covered Property or with a building or structure containing Covered Property; or
 - (2) Objects falling from aircraft.
- f. **Vehicles**, meaning only loss or damage caused by contact of a vehicle, or of an object thrown up by a vehicle, with Covered Property or with a building or structure containing Covered Property.

This cause of loss does not include loss or damage to "livestock" or to a fence, driveway or walk.

- g. **Smoke**, causing sudden and accidental loss or damage.

This cause of loss does not include loss or damage by smoke from agricultural smudging or industrial operations.

h. Vandalism

This cause of loss does not include loss of or damage to:

- (1) A building or structure, or its contents, if the building or structure has been "vacant" for more than 30 consecutive days immediately before the loss.
- (2) Any device or instrument, for the transmitting, recording, receiving or reproduction of sound or pictures, that is operated by power from the electrical system of a motor vehicle or mobile agricultural vehicle, unless it is:
 - (a) Covered Property; and
 - (b) Permanently installed in the motor vehicle or mobile agricultural vehicle.
- (3) While in or upon a motor vehicle or mobile agricultural vehicle, any tape, wire, record, disc or other medium for use with any device or instrument that transmits, records, receives or reproduces sound or pictures and that is operated by power from the electrical system of the motor vehicle or mobile agricultural vehicle.

- i. Theft**, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This cause of loss does not include loss caused by or resulting from theft:

- (1) Due to unauthorized instructions to transfer property to any person or to any place;
- (2) Under Coverage A, B or G:
In or from a building or structure under construction, or of materials and supplies for use in such construction, until the building or structure is completed and occupied;
- (3) Under Coverage A, B or C:
 - (a) From that part of your principal residence, including its grounds and appurtenant structures, which you rent to someone who is not an "insured";
 - (b) With respect to household personal property away from the "insured location", of:
 - (i) Property at any residence owned by, rented to, or occupied by, an "insured", except while an "insured", is temporarily residing there.

But property of a student who is an "insured" is covered at a residence away from home provided the student has been there at any time during the 45 days immediately preceding the loss;
 - (ii) Any watercraft, its furnishings, equipment or outboard motors; or
 - (iii) Trailers or campers.
- (4) Under Coverage E or F:
 - (a) Discovered on taking inventory;
 - (b) Due to wrongful conversion or embezzlement;
 - (c) Due to disappearance of any "farm personal property" unless there is evidence that the property was stolen; or
 - (d) Due to acceptance of counterfeit money, fraudulent post office or express money orders, or checks or promissory notes not paid upon presentation.

- (5) Of any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures, that is operated by power from the electrical system of a motor vehicle or mobile agricultural vehicle, unless it is:

- (a) Covered Property; and
- (b) Permanently installed in the motor vehicle or mobile agricultural vehicle.

- (6) While in or upon a motor vehicle or mobile agricultural vehicle, of any tape, wire, record, disc or other medium for use with any device or instrument that transmits, records, receives or reproduces sound or pictures and that is operated by power from the electrical system of the motor vehicle or mobile agricultural vehicle.

- j. Sinkhole Collapse**, means loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- k. Volcanic Action**, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or
- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Covered Property.

I. Collision – Coverages E and F Only

(1) Causing Damage to Covered Farm Machinery

We will pay for loss of or damage to covered farm machinery caused by collision or overturn of that machinery. Collision means accidental contact of the farm machinery with another vehicle or object.

Under this cause of loss we will not pay for loss or damage:

- (a)** To tires or tubes unless the damage is coincidental with other damage to the farm machinery or implement;
- (b)** Caused by contact between a tractor and implement during towing, hitching or unhitching;
- (c)** Caused by foreign objects taken into any farm machine or mechanical harvester; or
- (d)** Caused by contact of farm machinery with the roadbed or ground.

(2) Causing Death of Covered Livestock

We will pay for loss of covered "livestock" caused by:

- (a)** Collision or overturn of a vehicle on which the "livestock" are being transported. Collision means accidental contact of that vehicle with another vehicle or object; or
- (b)** "Livestock" running into or being struck by a vehicle while the "livestock" are crossing, moving along or standing in a public road.

But we will not pay for loss if a vehicle owned or operated by an "insured":

- (a)** Collides with the vehicle on which the "livestock" are being transported; or
- (b)** Strikes "livestock" crossing, moving along or standing in a public road.

(3) Causing Damage to Other Farm Personal Property

We will pay for loss of or damage to covered "farm personal property" (other than that described in **(1)** or **(2)** above) in or upon a motor vehicle, caused by collision or overturn of that vehicle. Collision means accidental contact of the motor vehicle with another vehicle or object.

m. Earthquake Loss to "Livestock"

- n. Flood Loss to "Livestock"**, meaning only loss or damage caused by or resulting from flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.

2. Covered Causes of Loss – BROAD

Subject to **B.** above, when BROAD is shown in the Declarations, Covered Causes of Loss means the Covered Causes of Loss under Section **B.1.** Covered Causes of Loss – BASIC, plus the following:

o. Electrocuting of Covered Livestock

p. Attacks on Covered Livestock by Dogs or Wild Animals

This cause of loss does not include loss or damage:

- (1)** To sheep; or
- (2)** Caused by dogs or wild animals owned by you, your employees or other persons residing on the "insured location".

q. Accidental Shooting of Covered Livestock

This cause of loss does not include loss or damage caused by you, any other "insured", your employees, or other persons residing on the "insured location".

r. Drowning of Covered Livestock From External Causes

This cause of loss does not include loss resulting from the drowning of swine under 30 days old.

s. Loading/Unloading Accidents, meaning sudden, unforeseen and unintended events causing or necessitating death of covered "livestock" and occurring while they are being unloaded from or loaded onto vehicles used or to be used to transport them.

This cause of loss does not include loss caused by or resulting from disease.

t. Breakage of Glass or Safety Glazing Material that is part of a building or structure, storm door or storm window.

Under this cause of loss, we will not pay for loss if the building or structure which contained the glass, including door or window glass, has been "vacant" for more than 30 consecutive days immediately before the loss.

u. Falling Objects

But we will not pay for loss or damage to:

- (1) Personal property in the open;
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object; or
- (3) The falling object itself.

v. Weight of Ice, Snow or Sleet causing damage to a building or to any property inside a building.

But under this cause of loss we will not pay for loss by pressure or weight of water in any form, whether driven by wind or not, to any:

- (1) Foundation or retaining wall;
- (2) Pavement or patio;
- (3) Awning;
- (4) Fence;
- (5) Outdoor equipment;
- (6) Swimming pool; or
- (7) Bulkhead, dock, pier or wharf.

w. Sudden and Accidental Tearing Apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective system, or an appliance for heating water.

Under this cause of loss we will not pay for loss or damage caused by or resulting from freezing.

x. Accidental Discharge or Leakage of Water or Steam as a direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

Under this cause of loss we will pay for loss of or damage to covered personal property provided that BROAD is shown in the Declarations for the coverage applicable to that personal property. If any part of a building or structure to which Coverage A, B or G applies must be torn out and replaced so that repairs can be made to the damaged system or appliance, we will also pay the necessary costs involved, provided that BROAD is shown in the Declarations for the coverage applying to that building or structure.

We will not pay:

- (1) The cost to repair any defect that caused the loss or damage;
- (2) For loss or damage caused by continuous or repeated seepage or leakage over a period of weeks, months or years;
- (3) For loss or damage caused by accidental discharge or overflow occurring off the "insured location";
- (4) For loss or damage caused by discharge or leakage in a building or structure "vacant" for more than 30 consecutive days immediately before the loss; or
- (5) For loss or damage caused by or resulting from freezing.

y. Freezing of a plumbing, heating, air conditioning or automatic fire protective system or of a household appliance.

Under this cause of loss, we will not pay for loss or damage which occurs while a building or structure is "vacant", "unoccupied" or being constructed, unless you have used reasonable care to:

- (1) Maintain heat in the building or structure; or
- (2) Shut off the water supply and drain the system or appliance of water.

z. Sudden and Accidental Damage from artificially generated electrical current – Applicable Only to Coverages A, B, C and D.

This cause of loss does not include loss of or damage to tubes, transistors or similar electronic components.

3. Covered Causes of Loss – SPECIAL

Subject to **B.** above, when SPECIAL is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is excluded in the following paragraphs or in Section **C.** Exclusions.

a. We will not pay for loss or damage caused by or resulting from:

(1) Fire, if that loss or damage is sustained by buildings or contents usual to tobacco barns as the result of using open fire for curing or drying tobacco in the barn, and occurs:

(a) While tobacco is being fired; or

(b) Within the 5-day period following tobacco firing in the barn.

(2) Collapse, except as provided in the Additional Coverage entitled Collapse. But if loss or damage by a Covered Cause of Loss results at the "insured location", we will pay for that resulting loss or damage.

(3) Windstorm or hail to:

(a) Dairy or farm products in the open;

(b) Watercraft or their trailers, furnishings, equipment or outboard motors, unless within a fully enclosed building.

(4) Rain, snow, ice or sleet to personal property in the open;

(5) Rain, snow, sleet, sand or dust, whether driven by wind or not, to the interior of any building or structure or the property inside a building or structure, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sleet, sand or dust enters;

(6) Freezing, thawing, or pressure or weight of water or ice whether or not driven by wind, to any:

(a) Foundation or retaining wall;

(b) Pavement or patio;

(c) Fence;

(d) Swimming pool; or

(e) Bulkhead, dock, pier or wharf.

(7) Discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective system or from within a household appliance:

(a) In the form of continuous or repeated seepage of water or steam over a period of weeks, months or years;

(b) That occurs on the "insured location", but is caused by discharge that takes place off the "insured location";

(c) Caused by or resulting from freezing, and occurring in a building or structure that is "vacant", "unoccupied", or being constructed, unless you have used reasonable care to:

(i) Maintain heat in the building or structure; or

(ii) Shut off the water supply and drain the system or appliance of water.

(d) Due to any cause other than freezing and occurring in a building or structure "vacant" for more than 30 consecutive days immediately before the loss; or

(e) To the extent that the system or appliance from which the water or steam escaped is defective.

(8) Any of the following occurrences, if they take place in buildings or structures covered under Coverage G or if the property destroyed or damaged is "farm personal property":

- (a)** Explosion of alcohol stills, steam boilers, steam pipes or steam engines, if you own, lease or operate them;
- (b)** Conditions or events (other than explosions) inside hot water boilers or other heating equipment, to the extent that they cause loss or damage to these boilers or equipment;
- (c)** Rupture, bursting or operating of pressure relief devices; or
- (d)** Rupture or bursting due to expansion of the contents of any building or structure, if the expansion is caused by or results from water.

But this exclusion does not apply to loss or damage caused by explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- (9)** Under Coverage A, B or C, theft from that part of your principal residence, including its grounds and appurtenant structures, which you rent to someone who is not an "insured";
- (10)** Under Coverage B or G, theft in or from a building or structure under construction, or of materials and supplies for use in such construction until the building or structure is completed and occupied;
- (11)** Under Coverage A, B or C, theft of the following property away from the "insured location":
 - (a)** Property at any residence owned by, rented to, or occupied by, an "insured", except while an "insured" is temporarily residing there.

But we will pay for loss by theft of the property of a student who is an "insured" from a residence away from home, provided the student was there at any time during the 45 days immediately preceding the loss.

(b) Any watercraft, its furnishings, equipment or outboard motors; or

(c) Trailers or campers;

(12) Inventory shortage;

(13) Disappearance of any "farm personal property" or portable building or structure unless there is evidence that the property was stolen;

(14) Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense;

(15) Unauthorized instructions to transfer property to any person or to any place;

(16) Theft of or vandalism to:

(a) Any device or instrument, for the transmitting, recording, receiving or reproduction of sound or pictures, that is operated by power from the electrical system of a motor vehicle or mobile agricultural vehicle, unless it is:

(i) Covered Property; and

(ii) Permanently installed in the motor vehicle or mobile agricultural vehicle.

(b) While in or upon a motor vehicle or mobile agricultural vehicle, any tape, wire, record, disc or other medium for use with any device or instrument that transmits, records, receives or reproduces sound or pictures and that is operated by power from the electrical system of the motor vehicle or mobile agricultural vehicle.

(17) Vandalism or breakage of glass or safety glazing material, if the building or structure was "vacant" for more than 30 consecutive days immediately before the loss.

(18) Dishonest or criminal acts committed by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose, regardless of whether:

- (a)** That person acts alone or in collusion with others; or
- (b)** The act is committed during the hours of employment.

This exclusion does not apply to loss by acts of destruction committed by your striking employees, but it does apply to employee theft.

(19) Transport of "farm personal property", except to the extent of the coverage afforded under Covered Causes of Loss – BASIC and BROAD.

(20) Any cause included in the following list if that loss or damage is sustained by farm machinery:

- (a)** Collision, upset or overturn of farm machinery or equipment, to the extent of any loss of or damage to the tires or inner tubes of such machinery or equipment. But we will pay for the loss of or damage to the tires or inner tubes if the same accident causes other covered loss to the same machinery or equipment.
- (b)** Contact between a tractor and an implement during towing, hitching or unhitching operations.
- (c)** Foreign objects being taken into any farm machine or mechanical harvester.
- (d)** Contact of a vehicle with the roadbed or ground, causing loss of or damage to farm machinery, unless:
 - (i)** The incident causing the loss or damage occurs on land other than a roadway, highway or other paved or gravelled surface; and

(ii) The amount of loss or damage in any one occurrence exceeds the deductible.

If both **(d)(i)** and **(ii)** apply, we will then pay the amount of loss or damage in excess of the deductible, up to the applicable limit of insurance. The deductible for such loss or damage is the applicable deductible shown in the Declarations, or \$500, whichever is greater.

(21) Artificially generated electric current, including electric arcing, that disturbs:

- (a)** Any electrical devices, appliances or wires; or
- (b)** Under Coverages A, B, C and D, any tubes, transistors or similar electronic components.

But:

(i) Under Coverages A, B, C and D, we will pay for loss of or damage to electric devices, appliances or wires, provided the damage is sudden and accidental.

(ii) If loss by fire results, we will pay for that resulting loss or damage.

(22) Smoke, vapor or gas from agricultural smudging or industrial operations, to any building, structure or personal property.

(23) The following causes of loss to any building, structure or personal property:

- (a)** Wear and tear;
- (b)** Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

- (c) Smog;
- (d) Settling, cracking, shrinking or expansion;
- (e) Birds, vermin, rodents, insects or domestic animals;
- (f) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (g) Dampness or dryness of atmosphere;
- (h) Changes in temperature or extremes of heat or cold, including freezing. But this exclusion does not apply to freezing of a plumbing, heating, air conditioning or automatic fire protective system or freezing of a household appliance, if you have used reasonable care to:
 - (1) Maintain heat in the building or structure; or
 - (2) Shut off the water supply and drain the system or appliance of water;
- (i) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

In the event of water (or steam) damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we:

- (1) Will also pay the necessary cost of tearing out and replacing any part of a covered building or structure so that the damaged system or appliance can be repaired, provided that SPECIAL Causes of Loss is shown in the Declarations for the Coverage (Coverage A, B or G) under which the building or structure is covered; but
 - (2) Will **not** pay the cost to repair any defect of the system or appliance.
- b. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- (1) Weather conditions. But this exclusion applies only if weather conditions contribute in any way with a cause or event excluded in Section C. Exclusions below, to produce the loss or damage.
 - (2) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (3) Faulty, inadequate or defective:
 - (a) Planning, zoning, development, surveying, siting;
 - (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (c) Materials used in repair, construction, renovation or remodeling; or
 - (d) Maintenance;
 - of part or all of any property on or off the "insured location".
- c. We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified cause of loss".
- d. The following Limitation applies:
- We will not pay for loss of or damage to:
- (1) "Livestock";
 - (2) "Poultry";
 - (3) Bees;
 - (4) Fish;
 - (5) Worms;
 - (6) Other animals;
 - (7) Hay, straw or fodder; or
 - (8) Trees, shrubs, plants or lawns.

C. EXCLUSIONS

The following Exclusions apply when any or all of the Covered Causes of Loss, BASIC, BROAD or SPECIAL, are specified in the Declarations:

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. Ordinance or Law

The enforcement of any ordinance or law:

- a. Regulating the construction, use or repair of any property; or
- b. Requiring the tearing down of any property, including the cost of removing its debris.

2. Earth Movement

- a. Any earth movement (other than sinkhole collapse), such as earthquake, landslide, mine subsidence or earth sinking, rising or shifting.

But:

- (1) If loss or damage by fire or explosion results, we will pay for that resulting loss or damage; or

- (2) If loss or damage to:

- (a) Farm machinery, vehicles and equipment covered for the SPECIAL Causes of Loss; or

- (b) "Livestock";

is caused by earthquake, this Earth Movement exclusion does not apply to such loss or damage.

- b. Volcanic eruption, explosion or effusion. But if loss or damage by fire or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or
- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to Covered Property.

3. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

4. Intentional Loss

We will not pay for loss or damage arising out of any act committed:

- a. By or at the direction of any "insured"; and
- b. With the intent to cause a loss.

5. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

6. Off-Premises Services

The failure of power or other utility service supplied to the "insured location", however caused, if the failure occurs away from the "insured location", except as provided under Coverage C.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

7. War and Military Action

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

8. Water

- a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- b. Mudslide or mudflow;
- c. Water that backs up from a sewer or drain; or
- d. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings.

But:

- (1) If loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage; or
- (2) If loss or damage to:
 - (a) Farm machinery, vehicles and equipment covered for the SPECIAL Causes of Loss; or
 - (b) "Livestock";is caused by water as described in **8.a.** above, this Water exclusion does not apply to such loss or damage.

D. ADDITIONAL COVERAGES

1. Additional Coverages to Coverages A, B, C, E, F and G

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Except as provided in **D.1.a.(4)** below, the most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

- (b) The deductible in this policy applicable to that loss or damage.

(3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or

- (b) Remove, restore or replace polluted land or water.

(4) Debris removal expense is included in the Limit of Insurance applying to the damaged property. But if:

- (a) The amount payable for the sum of direct physical loss or damage and debris removal expense exceeds the applicable Limit of Insurance; or

- (b) The debris removal expense exceeds the amount payable under the 25% limitation in **D.1.a.(2)** above;

an additional 5% of the Limit of Insurance applying to the damaged property will be available to cover debris removal expense.

b. Reasonable Repairs

We will pay the reasonable cost to make necessary repairs to protect Covered Property from further damage after a loss insured against has occurred.

Payment under this Additional Coverage will be subject to, not in addition to, the Limit of Insurance applying to the property being repaired.

c. Damage to Property Removed for Safekeeping

We will pay for loss to Covered Property damaged by any cause during or up to 30 days after its removal from a building endangered by a Covered Cause of Loss.

Payment under this Additional Coverage will be subject to, not in addition to, the Limit of Insurance applying to the property being removed.

d. Fire Department Service Charge

We will pay the liability you have assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect Covered Property from a Covered Cause of Loss. But we will not pay fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

The amount we pay under this Additional Coverage will be in addition to any Limit of Insurance that applies under this Coverage Form.

No deductible applies to this Additional Coverage.

2. Additional Coverages to Coverages A, B, C and D Only

a. Removal of Fallen Trees

We will pay the reasonable expense you incur removing any fallen tree from the grounds appurtenant to your principal residence, provided that, in falling, the tree damaged property covered under Coverage A, B or C, and provided further:

- (1) That the tree is not Covered Property, but the cause of its falling was a Covered Cause of Loss; or else
- (2) That the tree is Covered Property, but the cause of its falling was a Covered Cause of Loss other than fire or lightning, explosion, riot or civil commotion, aircraft, vehicles owned and operated by nonresidents of the covered "dwelling", vandalism, or theft.

Regardless of the number of fallen trees, we will pay no more than a total of \$500.

b. Credit Cards and Fund Transfer Cards; Forgery; Counterfeit Currency

- (1) We will pay up to \$500, unless a higher limit is indicated in the Declarations, for:
 - (a) The legal obligation of any "insured" to pay because of the theft or unauthorized use of credit cards issued to any "insured" or registered in any "insured's" name.

But this Additional Coverage will not apply if any "insured" has not complied with all terms and conditions under which the credit card was issued.

- (b) Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to any "insured" or registered in any "insured's" name.

But this Additional Coverage will not apply if any "insured" has not complied with all terms and conditions under which the fund transfer card was issued.

- (c) Loss to any "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (d) Loss to any "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

But we will not pay for loss arising out of business pursuits or dishonesty of any "insured".

No deductible applies to this Additional Coverage.

(2) Defense

- (a) We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any suit ends when the amount we pay for the loss equals the applicable Limit of Insurance.
- (b) If a suit is brought against any "insured" for liability under the Credit Card or Fund Transfer Card Coverage, we will provide a defense at our expense by counsel of our choice.
- (c) We have the option to defend at our expense any "insured" or any "insured's" bank against any suit for the enforcement of a payment under the Forgery Coverage.

3. Additional Coverage to Coverage E or F Only

Cost of Restoring Farm Operations Records

For any one loss we will pay up to \$2,000 to cover your cost to research, replace or restore the lost information on farm operations records damaged by a Covered Cause of Loss.

But if a higher Limit of Insurance is specified in the Declarations, the higher limit will apply.

No deductible applies to this Additional Coverage.

4. Additional Coverage to Coverages E, F or G Extra Expense

If a Limit of Insurance is shown in the Declarations for Extra Expense Coverage, we will pay, up to that Limit of Insurance, the actual and necessary expenses you incur to resume normal farming operations interrupted as the result of direct physical loss of or damage to Covered Property by a Covered Cause of Loss.

Coverage for such extra expense is not limited by the expiration of this policy. But, we will not pay extra expense you incur after the period required for repair, rebuilding or replacement of Covered Property.

Extra Expense Coverage does not include loss caused by or resulting from the enforcement of any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of, "pollutants".

No deductible applies to this Additional Coverage.

5. Additional Coverage – COLLAPSE

The following Additional Coverage applies when BROAD or SPECIAL Covered Causes of Loss is specified in the Declarations:

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- b. Hidden decay;

- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Under item **b.**, **c.**, **d.**, **e.** or **f.**, we will not pay for loss of or damage to any of the following types of property, if otherwise covered in this Coverage Part, unless the loss or damage is a direct result of the collapse of a building:

Foundations or retaining walls; underground pipes, flues or drains; cesspools or septic tanks; walks, roadways, patios and other paved surfaces; awnings; fences; outdoor equipment including yard fixtures; swimming pools; bulkheads, docks, piers or wharves.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

6. Additional Coverage – Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the "insured location" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage, for each location listed in the Declarations as an "insured location", is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

E. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the lesser of the following:

1. The applicable Limit of Insurance shown in the Declarations; or
2. The applicable Special Limit of Insurance. Certain categories of property covered under the Farm Property Coverage Form are subject to Special Limits of Insurance. These Special Limits are listed in subparagraph 3. of each Coverage under which those categories of property are covered.

F. DEDUCTIBLE

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

In the event that you sustain, from the same occurrence, losses or expenses in excess of the applicable deductibles under two or more Coverages of this Coverage Form, only the highest applicable deductible amount will apply.

Special Limits of Insurance apply in excess of any applicable Deductibles.

G. FARM PROPERTY CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that the selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any "insured" under oath, while not in the presence of any other "insured" and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an "insured's" books and records. In the event of an examination, an "insured's" answers must be signed.

4. Insurance Under Two or More Coverages

If two or more of this policy's Coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

5. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form unless:

- a. There has been full compliance with all of the terms of this Coverage Form; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

6. Loss Payment

- a. In the event of loss or damage insured against under this Coverage Form, at our option we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild, or replace the property with other of like kind and quality.
- b. We will not pay you more than your financial interest in the Covered Property.
- c. We will give notice of our intentions within 30 days after we receive the proof of loss.
- d. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all the terms of this Coverage Part, and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

7. Pair, Sets or Parts

- a. **Pair or Set.** In case of loss or damage to any part of a pair or set, we may:

- (1) Repair or replace any part to restore the pair or set to its value before the loss; or
- (2) Pay the difference between the value of the pair or set before and after the loss.

- b. **Parts.** In case of loss of or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

8. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the limits of insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in **8.a.** above, we will pay only the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

9. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

10. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to loss.
- b. After a loss, only if at the time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

11. Unoccupancy and Vacancy

- a. If a building or structure is "vacant" or "unoccupied" beyond a period of 120 consecutive days, the Limits of Insurance applicable to the building or structure and its contents will be automatically reduced by 50%, unless we extend the period of "vacancy" or "unoccupancy" by endorsement made a part of this Coverage Form.
- b. In addition to the penalty described in a. above, "unoccupancy" or "vacancy" results in certain exclusions or limitations applicable to certain causes of loss. See Section B. Covered Causes of Loss – BASIC, BROAD and SPECIAL.

GENERAL CONDITIONS

1. Concealment, Misrepresentation or Fraud

This Coverage Form is void in any case of fraud by you as it relates to this Coverage Form at any time. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Form.

2. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

3. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

4. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Form, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
 - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Form will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgage holder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

5. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

6. Policy Period

We cover loss or damage commencing during the policy period shown in the Declarations.

H. DEFINITIONS

The following words and phrases have a special meaning throughout this Coverage Form:

1. **"Business property"** means property pertaining to any trade, profession or occupation other than farming.
2. **"Dwelling"** means a building used principally for family residential purposes, and includes mobile homes and modular and prefabricated homes.

"Dwelling" does not mean a building used in such agricultural operations as storage of farm produce, "livestock" or "poultry".

3. **"Farm personal property"** means equipment, supplies and products of farming or ranching operations, including but not limited to feed, seed, fertilizer, "livestock", other animals, "poultry", grain, bees, fish, worms, produce and agricultural machinery, vehicles and equipment.

4. **"Insured"** means you and, if you are an individual, the following members of your household:

- a. Your relatives;
- b. Any other person under the age of 21 who is in the care of any person specified above.

5. **"Insured location"** means any location, including its private approaches, described in the Declarations pertaining to this Coverage Form.

6. **"Livestock"** means cattle, sheep, swine, goats, horses, mules and donkeys.

7. **"Money"** means currency, coins and bank notes in current use and having a face value; also travelers' checks, register checks and money orders held for sale to the public.

8. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

9. **"Poultry"** means fowl kept by you for use or sale.

10. **"Securities"** means negotiable and non-negotiable instruments or contracts presenting either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

But "securities" does not include "money".

11. **"Unoccupancy" or "unoccupied"** means the condition of:

(a) A "dwelling" (except while being constructed) not being lived in; or

(b) Any other building or structure (except while being constructed) not being used;

even if it contains furnishings or other property customary to its intended use or occupancy.

12. **"Vacancy" or "vacant"** means the condition of a building or structure (except while being constructed) not containing sufficient furnishings or other property customary to its intended use or occupancy.

13. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; as described in **B.1.** and **B.2.** above.