

Good morning Dan,

i have attached the information I received from De Smet Farm Mutual regarding your concerns about insurance coverage and the CO2 pipeline. I was also advised that if you have any additional questions regarding this subject to contact Mr. Schlechter with De Smet Farm Mutual @ 605-854-3337. Please know that De Smet Farm Mutual is closed today(2/22/2023) due to the forecasted weather.

Thank You,

Mike Peyton

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HAZARDOUS EXCLUSIONS

LAST 2 PAGES

## Farm Liability Coverage Section

### AMENDMENT OF GENERAL POLICY TERMS

1. The following definitions are added:

- a. **Farming** means the ownership, maintenance or use of premises for the production of crops or the raising or care of livestock, including all necessary operations. **Farming** also includes the operations of roadside stands and **farm** markets maintained principally for the sale of the **insured's** own **farm** products.
- b. **Farm employee** means an employee of an **insured** whose duties are in connection with the **farming** operations of the **insured**.

2. When used in connection with the Farm Liability Coverage Section, the definitions of **insured**, **insured premises** and **business** are modified as follows:

- a. **Insured premises** also means the **farm premises** described on the Declarations, other land **you** use for **farming** purposes and new **farm** premises acquired during the policy period.
- b. **Business** does not include **farming**.
- c. A person while performing duties as an employee of an **insured** is an **insured** with respect to **farm** implements and other vehicles covered under this policy.

3. **Coverage B - Personal Property** does not apply to **farm** personal property.

### PRINCIPAL COVERAGES - LIABILITY AND MEDICAL PAYMENTS TO OTHERS

**Coverage L - Personal Liability** - We pay, up to **our limit**, all sums for which an **insured** is liable by law because of **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies. **We** will defend a suit seeking damages if that suit resulted from **bodily injury** or **property damage** not excluded under this coverage. **We** may make investigations and settle claims or suits that **we** decide are appropriate. **We** do not have to provide a defense after **we** have paid an amount equal to **our limit** as a result of a judgment or written settlement.

**Coverage M - Medical Payments to Others** - We pay, up to **our limit**, the necessary **medical expenses** if they are incurred or medically determined within three years from the date of an accident causing **bodily injury** covered by this policy. **Medical expenses** means the reasonable charges for necessary medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, funeral services, prosthetic devices and eyeglasses, including contact lenses. This applies only to:

1. a person on the **insured premises** with the permission of an **insured**; and

2. a person away from the **insured premises** if the **bodily injury**:

- a. is a result of a condition on an **insured premises**;
- b. is caused by an activity of an **insured**;
- c. is caused by a person in the course of performing duties as a **domestic employee** of an **insured**;
- d. is caused by an animal owned by or in the care of an **insured**; or
- e. if sustained by a **domestic employee** and arises out of and in the course of employment of an **insured**.

### INCIDENTAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS COVERAGES

These coverages are subject to all the **terms** of Coverages L - Personal Liability and M - Medical Payments to Others. Except for Claims and Defense Costs and First Aid Expense, they do not increase the **limit** stated for the Principal Coverages.

1. **Damage to Property of Others** - Regardless of an **insured's** legal liability, **we** pay for property of others damaged by an **insured**, or **we** repair or replace the property, to the extent practicable, with property of like kind and quality. **Our limit** for this coverage is \$250 per **occurrence**.

The exclusions that apply to Coverages L and M do not apply to this coverage. However, **we** do not pay for damage to property:

- a. owned by, rented to or leased to an **insured**, another resident of **your** household, or the tenant of an **insured**;
- b. caused intentionally by an **insured** who has attained the age of 13;
- c. covered under this policy under Property Coverages; or
- d. resulting in whole or in part from:

- 1) activities related to a **business** of an **insured**;
- 2) premises owned, rented, or controlled by an **insured**, other than an **insured premises**; or
- 3) the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of **motor vehicles, motorized vehicles, recreational motor vehicles, farm machinery, farm implements, farm equipment, aircraft or watercraft**.

2. **Contracts and Agreements** - We pay for damages for **bodily injury** or **property damage** resulting from liability assumed by an **insured** under a written contract made before the loss. The loss causing the **bodily injury** or **property damage** must have occurred during

the policy period. This coverage does not extend to a written or oral contract or warranty of **farm goods** or **farm products** by an **insured**, and does not apply to a written or oral contract or warranty in connection with the **business** activities of an **insured**.

**3. Claims and Defense Costs** - If we defend a suit, we pay;

- a. the costs taxed to an **insured**;
- b. the costs incurred by us;
- c. the actual loss of earnings by an **insured** for time spent away from work at our request (We pay up to \$50 per day.);
- d. the necessary costs incurred by you at our request;
- e. the interest which accrues after the entry of a judgment but ending when we tender or pay up to our limit;
- f. the premiums on appeal bonds or bonds for the release of attachments up to our limit (We are not required to apply for or furnish bonds.);
- g. the premiums up to \$500 per bail bond required of an **insured** because of an accident or a traffic law violation arising out of the use of a vehicle to which this policy applies (We are not required to pay for or furnish bonds.); and
- h. prejudgment interest awarded against an **insured** on that part of the judgment we pay.

**4. First Aid Expense** - We pay the expenses incurred by an **insured** for first aid to persons, other than **insureds**, for **bodily injury** covered by this policy.

**5. Motorized Vehicles** - We pay for the **bodily injury** or the **property damage** which:

- a. occurs on the **insured premises** and is a result of the ownership, maintenance, use, loading or unloading of:

- 1) a **motorized vehicle** if it is not subject to **motor vehicle** registration because of its type or use; or
- 2) a **recreational motor vehicle**;

b. results from:

- 1) a motorized golf cart while used for golfing purposes on a golf course;
- 2) a utility, boat, camp or mobile home trailer, except when the trailer is carried on, is towed by or is attached to a **motor vehicle** or a **recreational motor vehicle**; or
- 3) a **motorized vehicle** which is designed only for use off public roads and which is used mainly to service the **insured premises**, and is not subject to **motor vehicle** registration.

- c. results from **insured's** use of a **recreational motor vehicle** which is not owned by an **insured**.

**6. Watercraft** -

- a. We pay for the **bodily injury** or the **property damage** which results from the maintenance, use, loading or unloading of:

- 1) a watercraft while it is on the **insured premises**;
- 2) a watercraft which is not owned by or rented to an **insured** if the loss is a result of the activities of an **insured**;
- 3) a watercraft which is owned by or is rented to an **insured** and which is powered by inboard or inboard/outboard motors which total 50 horsepower or less (not to include any watercraft commonly known as jet skis or wet bikes);
- 4) a sailing vessel with or without auxiliary power which is owned by or is rented to an **insured** and is less than 26 feet in length; or
- 5) a watercraft which is powered by outboard motors which total 25 horsepower or less (not to include any watercraft commonly known as jet skis or wet bikes).
- 6) a watercraft which is rented to an **insured** and is any watercraft commonly known as jet skis or wet bikes.

- b. We pay for the **bodily injury** or the **property damage** which results from the maintenance, use, loading or unloading of a watercraft that is powered by outboard motors which total more than 25 horsepower, if:

- 1) the motors are listed on the Declarations as insured for personal liability;
- 2) the motors are acquired by an **insured** during the policy period and a request for coverage is made within 45 days after they are acquired; or
- 3) the motors are not owned by an **insured**.

**7. Business** - We pay for the **bodily injury** or the **property damage** which results from:

- a. the rental of that part of the **insured premises** that is usually occupied by you, as a **residence**;
- b. the rental of other parts of the **insured premises** for use as a **residence** (No family unit may include more than two roomers or boarders.); or
- c. the rental of a part of the **insured premises** for use as a school, studio, office or private garage, only in the event such rental is first reported to us by an **insured** and an endorsement is issued by us and attached to this policy providing **bodily injury** or the **property damage** coverage for such rental.

**EXCLUSIONS THAT APPLY TO COVERAGE L - PERSONAL LIABILITY AND TO COVERAGE M - MEDICAL PAYMENTS TO OTHERS**

This policy does not apply to **bodily injury** or **property damage** which results directly or indirectly from:

1. war (This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon is deemed a warlike act even if accidental.);
2. the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of an aircraft, except for **bodily injury** to a person while performing duties as a **domestic employee** (This exclusion does not apply to model airplanes.);
3. the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of a **motor vehicle** owned or operated by or rented or loaned to an **insured**;
4. the ownership, operation, maintenance, use, occupancy, renting, loaning, entrusting, supervision, loading or unloading of **motorized vehicles** or watercraft owned or operated by or rented or loaned to an **insured**. We do pay:
  - a. for **bodily injury** to a person in the course of performing duties as a **domestic employee**; or
  - b. if coverage is provided for by an Incidental Motorized Vehicle or Watercraft Coverage;
5. the use of a **motorized vehicle** in, or in the practice or the preparation for, racing, speed, pulling, or pushing, demolition or stunt activities or contests;
6. liability imposed by law on an **insured** for the use of a **motorized vehicle**, aircraft or watercraft, except if coverage is provided for by an Incidental Motorized Vehicle or Watercraft Coverage;
7. the rendering of or the failing to render a professional service;
8. activities related to the **business** of an **insured**, except as provided for by an Incidental Business Coverage;
9. premises that are owned, rented or controlled by an **insured** and that are not the **insured premises**. We do pay for **bodily injury** to a person in the course of performing duties as a **domestic employee**;
10. an intentional act of an **insured** or an act done at the direction of an **insured**;
11. custom farming, meaning farming undertaken for others under an oral or written contract, in the event the gross amount of money charged by an **insured** for custom farming operations exceeds \$2000 during any annual policy period;
12. the ownership, operation, maintenance, use, loading or unloading of any implement, machinery, vehicle, equipment, device, instrument or apparatus for the moving of hay stacks, straw stacks, fodder stacks, baled hay or baled straw other than the moving, by the **insured**, of hay stacks, straw stacks, fodder stacks, baled hay or baled straw owned by the **insured**;
13. an **occurrence** for which an **insured** is also an **insured** under a nuclear energy liability policy or would be an **insured** but for the exhaustion of its **limits** (A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or their successors.);
14. the transmission of a communicable disease by an **insured**;
15. the actual, alleged or threatened molestation, including, but not limited to sexual molestation of a person by an **insured**, relative of an **insured**, volunteer performing services for an **insured**, or an occupant of the **insured premises**;
16. any act or omission of an **insured** as an officer or director of any corporation, association or other organization, except the acts of an **insured** as an unpaid volunteer director, officer or trustee of a charitable, religious or civic non-profit corporation, association or other organization. An elected public official shall not be considered an unpaid volunteer director, officer or trustee;
17. personal acts of an **insured** on or off the **insured premises**, unless the **insured** is residing on the **insured premises** described on the Declarations;
18. services, including, but not limited to home day care services, regularly provided by an **insured** for the care of others, and for which services an **insured** is compensated. A mutual exchange of like services is not considered compensation. However, this exclusion does not apply to **bodily injury** or **property damage** that arises from such services if an endorsement is first issued by us and attached to this policy providing **bodily injury** or **property damage** coverage for such services;
19. the discharge, dispersal, release or the escape of **pollutants** into or upon land, water or air. However, this exclusion does not apply to **bodily injury** or **property damage** that arises from the heat, smoke or fumes of a hostile fire on the **insured premises**. Hostile fire is a fire that becomes uncontrollable or breaks out from where it was intended to be;
20. **bodily injury** to a **farm employee** of an **insured** if it occurs in the course of employment; or the consequential injury to a spouse, child, parent, brother or sister of such insured employee.

This exclusion applies whether the **insured** is liable either as an employer or in any other capacity and to any obligation of an **insured** to fully or partially reimburse another for damages arising out of the injury.

This exclusion does not apply to liability assumed by an **insured** under a contract or an agreement.

21. actual or alleged **bodily injury** from the ingestion, inhalation or absorption of lead in any form; actual or alleged **property damage** that results directly or indirectly from any form of lead; any loss, cost or expense arising out of any request, demand or order that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of lead; or any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

#### **ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE L - PERSONAL LIABILITY**

**Coverage L - Personal Liability** does not apply to:

1. **bodily injury to you** and if residents of **your** household, **your** relatives, and persons under the age of 21 in **your** care or in the care of **your** resident relatives;
2. liability assumed under a contract or an agreement, except as provided for by Incidental Contracts and Agreements Coverage;
3. damage to property owned by an **insured**;
4. damage to property that is rented to, occupied by, used by, or in the care, custody or control of an **insured**, except for **property damage** that is caused by fire, smoke or explosion, other than damage to **farm** premises or **farm** property;
5. sickness, disease or death of a **domestic employee** unless a written notice is received by **us** within 36 months after the end of the policy period in which the injury occurred;
6. **bodily injury** to a person, including a **domestic em-**

**ployee**, if the **insured** has a workers' compensation policy covering the injury or if benefits are payable or are required to be provided by an **insured** under a worker's compensation, non-occupational disability, occupational disease or like law;

7. **property damage** arising or resulting from substances released or discharged from an aircraft;
8. **bodily injury** or **property damage** to or from products manufactured, produced, grown, sold, handled or distributed by the **insured** if the **bodily injury** or **property damage** arises out of such products, or a part of such products, after the **insured** has relinquished possession thereof to others;
9. **bodily injury** or **property damage** to or from work performed by or for an **insured** if the **bodily injury** or **property damage** arises out of such work or a part of such work; or
10. **bodily injury** or **property damage** to or from premises you sell, give away or abandon, if the **bodily injury** or **property damage** arises out of such premises or a part of such premises.
11. **punitive or exemplary damages or related defense costs**. This exclusion applies regardless of any other terms of this policy or endorsements made a part of it.

#### **ADDITIONAL EXCLUSIONS THAT APPLY ONLY TO COVERAGE M - MEDICAL PAYMENTS TO OTHERS**

**Coverage M - Medical Payments to Others** do not apply to **bodily injury** to:

1. an **insured**, a tenant or lessee of any part of the **insured premises**, or any person who resides on the **insured premises**, except a **domestic employee**;
2. a person who is on the **insured premises** because a **business** is conducted or professional services are rendered on the **insured premises**; or
3. a person, including a **domestic employee**, if a workers' compensation policy covers the injury or if benefits are provided under a workers' compensation, non-occupational disability, occupational disease or like law.

## FUNGUS, BACTERIA, MOLD AND OTHER HEALTH HAZARDS EXCLUSION ENDORSEMENT

This endorsement changes the coverages provided by the policy to which this endorsement is attached.

Under EXCLUSIONS THAT APPLY TO ALL LIABILITY COVERAGES, WHETHER COVERAGE L - PERSONAL LIABILITY OR COVERAGE M - MEDICAL PAYMENTS TO OTHERS, OR BOTH, This policy does not apply to bodily injury or property damage which results directly or indirectly from:

the presence, growth, discharge, release, escape, inhalation, ingestion or coming in contact with any FUNGUS, BACTERIA, MOLD, MILDEW, ALGAE, TOXINS, ASBESTOS, CONTAMINATION, CHEMICAL, HAZARDOUS MATERIAL, SMOG, CARBON MONOXIDE OR RADON GAS, including any by-products, roots, spores, fibers or scents of or from the same; nor do we pay for any loss, cost or expense to test for, monitor, assess, contain, abate, neutralize or dispose of the same, nor for any consequential symptoms or treatment. Bodily injury includes injury, illness, allergy or reaction, adverse health effect, infection, toxicity and death.

This exclusion does not apply to any of the above items on or in any good or product intended for human consumption.

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### Limited Farm Pollution Liability Coverage Endorsement

Exclusion 19. of the EXCLUSIONS THAT APPLY TO COVERAGE L - PERSONAL LIABILITY AND TO COVERAGE M - MEDICAL PAYMENTS TO OTHERS in the policy to which this endorsement is attached relating to the discharge, dispersal, release or escape of pollutants into or upon land, water or air will not apply to bodily injury or property damage arising out of the sudden and accidental discharge, dispersal, release or escape into or upon land, water or air of pollutants used in or intended for use in normal and usual farming activities on the insured premises or while such pollutants used in or intended for use in normal and usual farming activities are being transported by the insured, subject to the terms of this Endorsement.

#### EXCESS COVERAGE

Coverage afforded by this Endorsement will be considered excess to funds available through any local, state or federal agency.

#### ANNUAL AGGREGATE LIMIT

Regardless of the number of occurrences, insureds, claims made, suits brought or persons injured, our total limit in any one policy year for Coverage L - Personal Liability and Coverage M - Medical Payments to Others provided by this Endorsement will not exceed \$100,000.00

#### DEDUCTIBLE

The following deductible amount applies to each loss or claim covered by this Endorsement: \$1,000.00

All other terms of the policy to which this Endorsement is attached apply.

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