

Summary of Policy Forms & Endorsements

First Named Insured
DANA BOSMA
2011 VIRGINIA LN
EAGLEVILLE, PA 19403

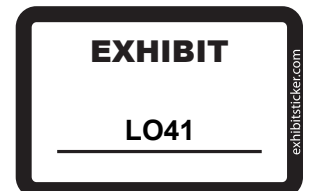
Policy Number 8316369
Policy Period 02-21-2023 to 02-21-2024

Policy Section/Modules

Jacket	PKXX.J0001.0510
General Section	PKSD.SGENL.0422
Mutual Conditions	PKSD.SGENS.0510
Liability Section	PKSD.SLIAB.0420
Farm/Ranch and Personal Liability Module	PKSD.MFLIA.0420
Farm/Ranch Employer Liability Module	PKSD.MFEMP.0508
Property Section	PKSD.SPROP.1216

Endorsements

Limited Farm/Ranch Liability Pollution Coverage	PKXX.EL011.0420
Disclosure of Terrorism Coverage and Premium	PKXX.EX009.0116



Farm Bureau Member's Choice

**ONE INSURANCE POLICY
TAILORED TO MEET YOUR INDIVIDUAL NEEDS
Vehicle • Property • Liability • Umbrella**

PLEASE READ YOUR POLICY CAREFULLY.
It is a legal contract between you and us.

IMPORTANT – In case of loss or accident, call our toll-free number
(1-800-226-6383), or notify your Farm Bureau agent as soon as possible.



FARM BUREAU FINANCIAL SERVICES

Farm Bureau Property & Casualty Insurance Company - A Stock Company
5400 University Avenue • West Des Moines, IA 50266

General Section

Insuring Agreement

In return for payment of the premium and subject to all the terms and conditions of the policy, we agree to provide the insurance described in this policy and summarized in the Declarations pages.

About Your Personal Package Policy

How Your Policy is Organized

A unique feature of your Farm Bureau Member's Choice policy is its modular design. It is organized into sections for each type of insurance you chose, and each section is divided into coverage modules. The modular design allows you to specify the coverages you want and to change your policy quickly without replacing the entire package. When you contact your agent to change coverage, we will provide you with the new coverage module to insert into your package and revised Declarations pages confirming your new coverage.

Declarations, Endorsements

The Declarations pages at the beginning of your policy are part of your insurance contract. They list or declare the property and liability exposures we agreed to insure. They provide coverage information including deductibles, covered causes of loss, and the amounts of coverage provided.

The Declarations may also list one or more endorsements or amendments which expand or reduce your coverage. The endorsements tailor your policy to your specific needs.

Definitions

Definitions Common to Entire Policy

Throughout your policy certain words or phrases are given exact meanings. The definition of we, us and our as well as the definition for you and your are given below.

Other words or phrases that are given exact meanings in the policy are shown with quotation marks whenever they are used. Each section of this policy has a glossary of these definitions, and additional definitions specific to a coverage may be provided at the module level. The following words and phrases are common to the entire policy:

We, Us and Our Defined

When we refer to we, us, or our, we mean the Farm Bureau Property & Casualty Insurance Company.

You and Your Defined

When we refer to you or your, we mean any "person", "persons" or organizations indicated in the Declarations as "named insured". If the "named insured" is a "person", it includes the spouse of that "person" if a resident of the same household.

"Aircraft"

Any device used or designed for flight, except model or hobby "aircraft" not used or designed to carry people or cargo.

"Arising Out Of"

Originating from, growing out of or flowing from, and requires only that there be some causal relationship between the loss, injury or damage and the activity or event.

"Bodily Injury"

Bodily harm, sickness or disease sustained by a "person", including death resulting from the injury.

"Caused By"

The primary or efficient event which produces, brings about or gives rise to the loss, injury or damage.

"Damages"

- A. The amount required to compensate claimants for loss, injury or detriment for which an "insured" is legally liable. "Damages" includes prejudgment interest the court requires the "insured" to pay. "Damages" do not include payment of fines, penalties, or the costs of complying with injunctive or equitable relief.
- B. The amount of "damages" is:
 - 1. Negotiated by us with the claimant; or
 - 2. Established by adjudication (lawsuit), arbitration, or a compromise settlement to which we have previously agreed in writing; and
 - 3. Shall be reduced by any recoveries or salvages which are collected by the claimant.

"First Named Insured"

The "person" or organization named first in the Declarations.

"Hovercraft"

Any self-propelled motorized ground effect vehicle, including, but not limited to, flarecraft and air cushion vehicles.

"Insured"

"Insured" can mean different "persons" or organizations, depending on the type of coverage. For that reason "insured" is defined separately in each section of the policy.

"Livestock"

Cattle, including bison, buffalo and beefalo; swine; sheep and goats; alpacas and llamas; horses, mules and donkeys, but not race horses, show horses or show ponies.

"Medical Expenses"

Unless specifically defined in the module, reasonable charges for necessary:

- A. Medical, surgical, x-ray, optical, dental, chiropractic, ambulance, hospital, professional nursing and funeral services; and
- B. Eyeglasses, pharmaceuticals, hearing aids and prosthetic devices.

"Named Insured"

The "persons" or organizations indicated in the Declarations as "named insureds".

"Occurrence"

An accident, including continuous or repeated exposure to substantially the same general harmful conditions.

"Person"

A human being.

"Property Damage"

Physical injury to or destruction of tangible property, including its loss of use. All such loss of use shall be considered to start at the time of the "occurrence" that caused the "property damage".

"Smothering"

Death "caused by" being deprived of oxygen due to a physical blockage of breathing passages or physical interference of breathing.

"Suffocation"

Death resulting from:

- A. Inadequate oxygen in the air;
- B. The presence in the air of toxic gas; or
- C. Heat stroke resulting from failure of ventilation equipment or interruption of power to ventilation equipment.

"Suit"

A civil proceeding in which "damages" because of "bodily injury," "property damage" or "personal injury/ advertising injury" to which this insurance applies are alleged. "Suit" includes:

- A. An arbitration proceeding in which "damages" are claimed and to which the "insured" must submit or does submit with our consent; or
- B. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the "insured" submits with our consent.

Deductibles

Your vehicles and other property coverages are subject to the deductible amounts indicated on your Declarations pages. If a Wind & Hail deductible applies, that deductible amount is shown on the Declarations under Wind & Hail. The amount shown under Deductible applies to all other losses unless stated otherwise in the policy. We will only pay that part of each loss that exceeds the applicable deductible.

Occurrence Deductible

Your Farm Bureau Member's Choice policy features an occurrence deductible. If more than one deductible would apply to any one loss covered by this policy, we use only the highest applicable deductible and waive the others.

Two Vehicles Insured By Us

In the event of a collision covered under the Damage To Your Vehicle Module, if the collision is with another motorized vehicle insured by us or any of our affiliates or subsidiaries under another policy, we waive the deductible amount applying under your Damage To Your Vehicle Module, up to \$250. If both vehicles are insured under this policy, we apply the higher applicable deductible, but waive the first \$250.

Application of Deductible

The deductible is applied to the amount of your loss, not to the limit of coverage.

Notification of Loss

- A. Prompt notice of a loss or claim to which this policy applies is important. To assure prompt claim service, we provide you with a toll free telephone number for reporting claims. This number is on the jacket of your policy and in your Declarations. It is your responsibility to:
 - 1. Notify us or one of our agents as soon as possible of any accident, "occurrence" or loss. In case of theft or accident, also notify the police or similar authority. Notice to us should include:
 - a. The "insured's" name and address;
 - b. How, when and where the accident, "occurrence" or loss took place;
 - c. The names and addresses of all parties involved including any witnesses and injured "persons"; and
 - d. The nature and location of any injury or damage "arising out of" or "caused by" the accident, "occurrence" or loss.
 - 2. Notify us immediately if a claim or "suit" is made against an "insured". Also send us every demand, notice or claim made and every summons or legal process received.
 - 3. Notify the credit card or bank card company in case of loss involving credit cards or bank cards.
- B. Each section may include additional instructions and conditions regarding your responsibilities when you experience a loss that may be covered under this policy.

Payment For Loss

Property and Physical Damage Losses

We will adjust all covered losses to your property and vehicles with you. We will pay you unless some other "person" or entity is named in the policy or is legally entitled to receive payment. Losses will be payable within 30 days after we receive your proof of loss and:

- A. We reach agreement with you;
- B. There is an entry of a final judgment; or
- C. There is a filing of an appraisal award with us.

Liability Claims

We have the right to investigate, decide if and how to settle, and choose the attorneys.

Other Insurance - Other Policies

Unless otherwise stated, this insurance is excess over any other collectible insurance, guarantee or warranty that applies to the same claim or loss. Exceptions to this provision are medical expenses coverage and goodwill coverage, which are primary unless the coverage module specifically states they are excess coverage.

If other property insurance applies on an excess basis to a covered loss, we will pay only the proportion of the loss that our limit of insurance bears to the total amount of insurance covering the loss.

If other liability insurance applies on an excess basis to "damages" covered under the Liability and Vehicle Sections, we will pay only our share of the loss. Our share is the proportion of a loss or claim that our limit of liability insurance, as indicated in the Declarations, bears to the total amount of insurance covering the loss.

Other Insurance - This Policy

If coverage is afforded under more than one coverage module in this policy for the same loss, only one coverage will apply to the loss. You may select the coverage that is most beneficial to you, but you cannot recover more than once for the same loss.

Your Responsibilities

Subrogation

Subrogation means the transfer of your rights of recovery from another party to us. If we make any payment under this policy, we have the right to recover such payments from any liable party who is not an "insured" under this policy. The "person" or organization to or for whom we have made payment shall:

- A. Not hurt our rights to recover;
- B. Execute any legal papers we need; and
- C. When we ask, take action through our representatives to recover our payments. If we request an assignment of rights of recovery for a loss, an "insured" must sign and deliver all related papers and cooperate with us.

An "insured" may waive in writing before a loss all rights of recovery against any "person" or organization. If not waived, we may require an assignment of rights of recovery for the loss to the extent that payment is made by us.

Reimbursement Agreement

If we make payment to any "person" or organization from this policy:

- A. We are entitled, to the extent of such payments, to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such "person" or organization against any "person" or organization legally responsible for the "damages" for which we made the payment. To the extent of such payment, we shall have a lien on the settlement or judgment, notice of which may be given to the "person" or organization causing the "bodily injury" or "property damage". We may notify that "person" or organization's agent, insurer, or a court having jurisdiction in the matter.
- B. Such "person" or organization shall hold in trust for the benefit of us all rights of recovery which he or she shall have against the "person" or organization who caused the "bodily injury" or "property damage".
- C. Such "person" or organization shall do whatever is proper to secure these rights of recovery and shall do nothing after the loss to compromise these rights.
- D. Such "person" or organization shall execute and deliver to us instruments and papers as may be appropriate to secure the rights and obligations established by this provision.

Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it

will become our property. If the recovered property is retained by you, the loss payment will be adjusted based on the amount of the salvage value of the property. If the property is recovered by you after we have made payment for the total loss, you must refund to us the salvage value of the recovered property.

If we take possession of the salvage after paying you for your loss, we are entitled to sell the salvage for our benefit.

Abandonment of Property

You or any "insured" cannot abandon any property to us unless we agree to accept it, nor to a third party unless we agree.

Protect the Property

In case of a loss to which this insurance may apply, it is your responsibility to protect the property from further damage, and to make any repairs that are necessary to protect the property.

You must keep an accurate record of your expenses. We will pay the reasonable costs of protecting the property from further damage. This will not increase the amount of coverage that applies.

Display the Property

You must show us the damaged property when we ask.

Examination Under Oath

We have the right to examine under oath, as often as we may reasonably require, you, any other "person" who may qualify as an "insured" under this policy, family members and other members of your household individually and separately.

We may also require you and any other "person" who may qualify as an "insured" under this policy to give us a signed statement regarding your ownership interest in the property and the circumstances of the loss, and produce all records and documents we request and permit us to make copies.

Cooperation With Us

When asked by us, the "insured" shall assist in making settlements, in securing and giving evidence, in attending and getting witnesses to attend hearings and trials, and agreeing to answer questions under oath. No "insured", except at his or her own cost, shall voluntarily make any payment, assume any obligation to others, nor incur any expense other than for first aid to others.

Exclusions

Your policy provides extensive property and liability coverage. However, no policy can provide coverage for all exposures.

While each section and module may have exclusions which apply to a specific type of property, coverage or exposure, the following exclusions apply to all sections and modules. These exclusions apply regardless of any other cause or event contributing concurrently or in any sequence to the loss.

These exclusions apply regardless of whether the excluded cause or event is a direct or indirect cause of loss.

Communicable Disease

There is no coverage for any "damages" or "medical expenses" "arising out of" any transmission, or threat of transmission, of any communicable disease or sickness.

Governmental Action

There is no coverage for any loss "arising out of" destruction, confiscation or seizure by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss "caused by" fire would be covered under this policy.

Intentional Acts

There is no coverage for any loss, "damages" or "medical expenses" "arising out of" any act which is expected or intended by any "insured" to cause injury to any "person" or damage to any property belonging to you or others. This applies to any act committed by or at the direction of any "insured" that can reasonably be expected to cause a loss or injury, even if the "insured" failed to, or because of diminished mental capacity, was unable to anticipate the injury or damage. This exclusion applies even if the injury or damage is of a different degree or type than was actually intended or expected.

This exclusion does not apply to Personal Injury/Advertising Injury.

Molestation or Abuse

There is no coverage for any "damages" or "medical expenses" "arising out of" any sexual abuse or molestation, harassment, corporal punishment or physical or mental abuse.

Nuclear Action

There is no coverage for any loss, "damages" or "medical expenses" "arising out of" nuclear action, meaning nuclear reaction, discharge, radiation, or radioactive contamination, atomic energy or any consequence of any of these. Loss "arising out of" nuclear action is not considered loss by fire, smoke or explosion.

There is also no coverage for loss, "damages" or "medical expenses" "arising out of" any hazardous material, radioactive contamination or waste from any nuclear reactor, nuclear reaction, explosion or drift whether or not such material emanates from nuclear source material, special nuclear material or by-product material.

This exclusion applies even if the release of the contaminated material is sudden, accidental, gradual or "arises out of" natural means or design.

This exclusion does not apply to any coverage under the Property Section for direct loss by fire resulting from nuclear action.

Racing or Contests

There is no coverage for any loss, "damages" or "medical expenses" "arising out of" the ownership, occupancy, operation, maintenance, use, loading, unloading or negligent entrustment of any motorized means of conveyance, whether on the land, on or in water or in the air, while being used in any prearranged, organized or sanctioned racing, pulling, speed or demolition contest or stunting activity or in practice or preparation for any such contest or activity.

War

There is no coverage for any loss, "damages" or "medical expenses" "arising out of" any war, whether it is declared or undeclared. War includes civil war, insurrection, rebellion, revolution or warlike acts.

There is no coverage for any military destruction or seizure of any kind.

Punitive or Exemplary Damages

There is no coverage for any payment of any punitive or exemplary damages.

Conditions

While each section and module may have some specific conditions that apply only to that section or module, the following conditions apply to your entire policy:

Membership Requirements

Payment of dues and current membership with your county Farm Bureau are required for renewal of this policy.

Policy Period

The coverages you chose apply to each accident, "occurrence" and loss that takes place during the policy period. Each policy period begins on the effective date and ends on the expiration date shown in the Declarations. Each policy period begins and ends at 12:01 a.m. Standard Time at the address of the "first named insured".

Concealment, Fraud, Misrepresentations

- A. By accepting this policy, you agree:
1. The information shown in the Declarations is accurate and complete;
 2. The information is based upon representations you made to us in your application(s) for this policy; and
 3. We have issued this policy in reliance upon your representations.
- B. There is no coverage in case of fraud committed by any "insured" at any time as it relates to this policy.
- C. This insurance is void if you or any other "insured" at any time:
1. Engage in fraudulent conduct;
 2. Make false statements; or
 3. Intentionally conceal or misrepresent a material fact concerning:
 - a. This coverage;
 - b. Any vehicles or property covered by this policy;
 - c. Your interest in any vehicles or property covered by this policy;
 - d. An insurance application, rating, claim or coverage under this policy.

Premiums

The "first named insured" is legally responsible for the payment of all premiums. You or a billing client making premium payments on your behalf will be the payee for any premium refunds.

Premium Changes

- A. The premium is based on information we received from you or other sources. You agree to cooperate with us in keeping this information current. Your premium may be adjusted accordingly.
- B. Premium is fully earned on seasonal vehicles (includes classic II and antique automobiles, motorcycles, ATV's, watercraft, snowmobiles, farm trucks, farm truck tractors, motorhomes and trailers).
Exception: A pro rata refund is allowed if:
1. The seasonal vehicle was sold, destroyed or stolen;
 2. Cancellation is due to the death of the "insured";
 3. Cancellation is at the request of the Company; or
 4. Cancellation applies to all vehicles on the policy.

Renewal Premium

- A. If not cancelled or nonrenewed by us, this policy may be renewed at the rates then in effect, for successive periods of 12 months, if the premium is paid when due.
- B. If we accept a later payment of the required premium, the policy is reinstated as of the date and time payment is received. A new policy period is then established. No coverage exists after the former expiration date and before the newly established effective date.

Your Cancellation

The "first named insured" may cancel this policy by mailing or delivering to us advance written notice of cancellation.

Our Cancellation

- A. We may cancel this policy, or any part of it, subject to the following conditions. Our right to cancel applies to each coverage or limit in this policy. We may cancel by mailing or delivering to the "first named insured" written notice of cancellation at least 20 days before the effective date of cancellation.
- B. We may cancel liability, property or umbrella coverages in force for 60 days or more only for the following reasons:
 - 1. Nonpayment of premium or nonpayment of any installment thereof;
 - 2. Discovery of fraud or material misrepresentation made by or with your knowledge in obtaining the policy, or in presenting a claim under the policy;
 - 3. Discovery of acts or omissions on your part which increases any hazard insured against;
 - 4. The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued;
 - 5. Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or the occupancy thereof that substantially increases any hazard insured against;
 - 6. A determination by the Director of Insurance that the continuation of the policy would place us in violation of the insurance laws of South Dakota;
 - 7. Your violation or breach of any policy terms or conditions; or
 - 8. Any other reasons as approved by the Director of Insurance.
- D. We may cancel coverage on vehicles insured for 60 days or more only for the following reasons:
 - 1. Nonpayment of premium or nonpayment of any installment thereof;
 - 2. The "first named insured" or any other operator who either resides in the same household or customarily operates a vehicle insured under this policy:
 - a. Has had a driver's license suspension or revocation during the policy period; or
 - b. If the policy is a renewal, has had a driver's license suspension or revocation during the policy period or 180 days before the effective date.
 - 3. Any other reasons as are approved by the Director of Insurance.

Your Cancellation/Our Cancellation

- A. Notice of cancellation is accomplished when we mail by first class mail or deliver our notice to the "first named insured's" last mailing address known to us.
- B. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- C. If this policy is cancelled, we will send the "first named insured" any premium refund due. If we cancel, the refund will be pro rata.
- D. If the "first named insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- E. Renewal or continuation of this policy does not act as a waiver or estoppel of any reasons for cancellation which existed before the effective date of renewal or continuation.
- F. If a notice is mailed by us, proof of mailing will be sufficient proof of notice.

Nonrenewal

- A. If we decide not to renew this policy, we will mail by first class mail, written notice of nonrenewal to the "first named insured" indicated in the Declarations, at the last mailing address known to us, at least 60 days before the expiration or anniversary date of this policy.
- B. We need not mail this notice if:
 - 1. The "first named insured" indicated in the Declarations has accepted replacement coverage; or
 - 2. The "first named insured" indicated in the Declarations has requested or agreed to nonrenewal.

Change / Assignment of Interest

- A. No "insured" may assign any rights and duties under this policy without our written consent.
- B. No change of interest in this policy is effective unless we consent in writing. However, if a "named insured" dies, provided we are informed of the death of the "named insured", we will protect as "named insured":
 - 1. Any surviving member of the "named insured's" household who is an "insured" under the policy, but only if a resident of the "named insured's" household at the time of death;
 - 2. Any "person" or organization with proper temporary custody of your insured vehicle or other

- property, but, only with respect to that property, until a legal representative is qualified; and then
3. Any legal representative while acting within the scope of his or her duties on behalf of the deceased.

Insurable Interest

We will not pay for any loss to property in which you or any "insured" do not have an insurable interest at the time of loss. If more than one "person" or organization has an insurable interest in the covered property, we will pay no more than the amount of your or any "insured's" interest, up to the amount of coverage that applies.

Severability

This insurance applies separately to each "insured" against whom a claim or "suit" is brought, but having more than one "insured" does not increase the limits shown in the Declarations.

Joint Interests

When there are two or more "named insureds", each acts for all to change the policy.

Change of Policy Provisions

The terms of this policy may only be changed or waived by a written endorsement.

Liberalization Clause

If any coverage you carry is changed by us to give broader coverage without additional premium, we will give you the broadened coverage without the issuance of a new policy or a change in premium as of the date we make the change effective in your state.

If coverage changes include both broadenings and restrictions of coverage as part of a general policy revision, those coverage changes are not considered a part of this Liberalization Clause.

Terms of Policy to Conform to Statute

Terms of this policy which are in conflict with the South Dakota statutes are amended to conform to such statutes, but only to the extent of the minimum coverage required by law.

No Benefit to Bailees

A bailee is someone who has care, custody, or control of your property with your permission. This insurance is not for the benefit of a bailee of your property, and we may seek reimbursement from the bailee if his or her negligence caused or contributed to the damage we paid under this policy.

Reservation of Rights

No act in connection with the investigation of any loss or claim by our employees or representatives shall be considered a waiver of any defense which we might otherwise have with respect to any loss or claim. All such acts of investigation shall be considered to have been made without compromising the coverages as described in the policy. The act of investigation, by itself, is not intended to convey that coverage exists. As the facts become known, the policy language will determine if coverage exists or not for the loss, and all provisions under the policy are specifically reserved during our investigation.

Inspections and Surveys

- A. We have the right but are not obligated to make inspections and surveys at any time, to give you reports on the conditions we find, and to recommend changes. Any inspections, surveys, reports or recommendations will relate only to insurability and the premiums to be charged. We do not:
 1. Undertake the duty of any "person" or organization to provide for the health or safety of workers or the public; or
 2. Warrant that conditions are safe or healthful or that they comply with laws, regulations, codes or standards.
- B. This condition applies not only to us, but also to any advisory, rating service or similar organization which makes insurance inspections, surveys, reports or recommendations.

Audits/Premium Adjustments

We have the right to inspect and audit your books and records at any time during the policy period and up to 36 months after the expiration of the policy. This applies only to subject matter as it relates to insurance and the determination of insurance premiums.

Bankruptcy of Any Insured

Bankruptcy or insolvency of any "insured," or by an "insured's" estate, shall not relieve us of any of our obligations under the policy.

Action Against Us

- A. No one may bring an action against us under the coverage forms unless there has been full compliance with all the terms of the coverage forms.
- B. For coverages under the Property Section, any action against us must be started within six years, after the date of loss.
- C. For coverages under the Vehicle Liability Module, Liability Section and Umbrella Section, no one shall have any right to join us as a party to any action against any "insured". Further, no action based upon any obligation of any "insured" shall be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.

**FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY
(A STOCK COMPANY)**

Mutual Conditions


A. Membership

While this policy is in force, the first named insured named in the Declarations is a member of Farm Bureau Mutual Holding Company and is entitled to vote at all meetings of the members of said Company, and shall be entitled to such dividends and distributions as declared by the Board of Directors in accordance with the law.

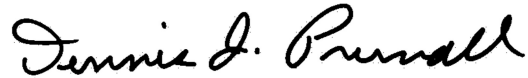
B. Non-Assessable

This policy is non-assessable.

This policy is signed at West Des Moines, Iowa on behalf of FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY by our Chairman and Secretary.



Chairman



Secretary

Liability Section

This section, combined with the General Section and liability modules, provides the liability coverages you selected, as indicated in the Declarations.

The ownership, use or occupancy of your home or other property and your personal activities can result in injury to others or damage to property of others for which you can be held legally liable.

Introduction

Your liability coverages are determined by combining the terms and provisions of the General Section and Liability Section with one or more of the following liability modules:

- A. Personal Liability Module for the home owner or renter providing coverage for bodily injury liability, property damage liability and medical payments to others.
- B. Farm/Ranch and Personal Liability Module for farmers/ranchers providing the coverages in the Personal Liability Module as well as farm/ranch liability coverages.
- C. Farm/Ranch Employer Liability Module for employers of "farm/ranch" labor providing liability and medical payments coverages for "farm/ranch employees" who are not eligible for workers compensation.
- D. Business Liability Module for owners of a "business" providing liability coverage for the "business".

Coverages in the Liability Section apply anywhere in the world with respect to an "insured's" activities and the ownership, use or occupancy of "insured locations" except as specifically limited or excluded.

The Liability Section does not provide coverage for any liability related to automobiles or motorcycles. It also does not cover recreational motor vehicle or watercraft liability except with respect to limited coverage as specified in the liability modules.

Notification Of Loss

In case of an accident, "occurrence" or loss to which this insurance may apply, refer to the General Section for specific notification of loss instructions.

Payment For Loss

The Payment For Loss provisions in the General Section apply and are expanded as follows with respect to coverage provided by this section:

Limit of Insurance

The limit of insurance indicated in the Declarations for "bodily injury" and "property damage" is the most we will pay for all "damages" from any one "occurrence", regardless of the number of "insureds", claimants, claims made or "persons" injured.

The limit of insurance indicated in the Declarations for Medical Payments to Others is the most we will pay for "medical expenses" for one "person" as the result of one "occurrence".

The Extra Coverages in each module are subject to specific limits as explained under those Extra Coverages.

Sublimit for Fungi

Our total liability for the total of all "damages" "arising out of" the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than \$50,000. This is the most we will pay regardless of the:

- A. Number of locations insured;
- B. Number of "persons" injured;
- C. Number of "persons" whose property is damaged;
- D. Number of "insureds"; or
- E. Number of "occurrences" or claims made.

This sublimit is within, but does not increase, the limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

Medical Expense Payment

We may pay "medical expenses" to:

- A. The injured "person";
- B. Any "person" or organization providing the medical services;
- C. The parent or guardian if the injured "person" is a minor or legally incompetent;
- D. The surviving spouse; or
- E. Any "person" or organization authorized by law to receive such payment.

Additional Exclusions

The following exclusions apply in addition to those in the General Section and the applicable liability module.

Animal Activities

There is no coverage for any "damages" or "medical expenses" "arising out of" the ownership or use of animals in or while in practice or preparation for, any organized or sanctioned racing, pulling, pushing, rodeo or stunting activities. This applies to "occurrences" "arising out of" such activities that take place at the site designated for the contest or activity, and to such practice or preparation that takes place somewhere other than on an "insured location".

This exclusion does not apply to:

- A. Coverage that may be provided under Goodwill Coverage.
- B. Club sponsored horse riding activities from which gross annual receipts do not exceed \$1,000.
- C. Animal activities coverage that is specifically provided under this policy.

Asbestos or Lead

There is no coverage for any:

- A. "Damages" or "medical expenses" "arising out of" the ingestion, inhalation or absorption of lead or asbestos in any form;
- B. 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 asbestos; or
- C. Cost of abatement, mitigation, removal or disposal of asbestos or lead.

Contractual Liability

There is no coverage for any liability assumed under any contract or agreement.

This exclusion does not apply to written contracts:

- A. That relate directly to the ownership, maintenance or use of an "insured location";
- B. Where the liability of others is assumed by the "insured" prior to an "occurrence", unless excluded elsewhere in this policy; or
- C. Where the "insured" would have been liable in the absence of the contract or agreement.

Damage to Property

There is no coverage for "property damage" to:

- A. Property owned by any "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
- B. Property leased by, rented to or occupied by any "insured". This exclusion does not apply to "property damage" "caused by" fire, smoke, or explosion to buildings or other structures;
- C. Property used by or loaned to any "insured";
- D. Personal property in the care, custody or control of any "insured"; or
- E. That particular part of real property on which any "insured", or any contractor or subcontractor working directly or indirectly on any "insureds" behalf, is performing operations, if the "property damage" arises out of those operations.

Damage to Your Products

There is no coverage for "property damage" to "your products" or "arising out of" "your products" or any part of "your products".

Damage to Your Work

There is no coverage for damage to "your work" or "arising out of" "your work" or any part of "your work".

This exclusion does not apply to work performed on your behalf by subcontractors.

Director's Liability

There is no coverage for any "damages" "arising out of" any "insured's" actions or failure to act as an officer or member of a board of directors of any corporation or organization not listed as a "named insured" in the Declarations.

This exclusion does not apply to an "insured's" voluntary involvement in a not-for-profit corporation or organization.

Discrimination

There is no coverage for any "damages" "arising out of" discrimination due to age, race, color, gender, creed, national origin, sexual preference, marital status, handicap or any other illegal discrimination.

Employment Related Practices

- A. There is no coverage for any "damages" "arising out of":
1. Refusal to employ any "person";
 2. Termination of any "person's" employment; or
 3. Employment related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at any "person".
- B. There is no coverage for any other "person's" claim for "damages" "arising out of" such refusal to employ, termination, employment related practices, policies, acts or omissions.
- C. These exclusions apply:
1. Whether the "insured" may be held liable as an employer or in any other capacity; and
 2. To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

Financial Guarantees

There is no coverage for any "damages" "arising out of" any "insured's" guarantee of the financial performance of any "person" or organization.

Illegal Drugs

There is no coverage for any "damages" or "medical expenses" "arising out of" the use, sale, manufacture, delivery, transfer or possession by any "person" of a Controlled Substance(s) as defined by the Federal Food and Drug act at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs.

This exclusion does not apply to the legitimate use of prescription drugs by a "person" following the orders of a licensed physician.

Liability Loss Assessment

Except as provided in Liability Loss Assessment extra coverage(s) we will not pay for any liability loss assessments made against you as a member of a corporation or association of property owners.

Non-Insured Locations

There is no coverage for any "damages" or "medical expenses" "arising out of" a premises an "insured" owns, rents from someone, or rents to someone which is not an "insured location".

This exclusion does not apply to "bodily injury" to a "residence employee" "arising out of" and in the course of the "residence employee's" employment by an "insured".

Pollution Cleanup

There is no coverage for any loss, cost or expense "arising out of" any:

- A. Request, demand, order or statutory or regulatory requirement 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 "pollutants"; or
- B. Claim or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for "damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

Professional Services

There is no coverage for any "damages" or "medical expenses" "arising out of" malpractice, errors and omissions, or the rendering of or failure to render professional services.

Sound, Electric or Magnetic Emissions

There is no coverage for "damages" for "bodily injury" or "property damage" "arising out of" sound, electrical or magnetic emissions, visible or invisible. This does not apply to "bodily injury" or "property damage" "caused by" direct physical contact with electrical transmission equipment.

Vehicles, Aircraft, Hovercraft or Watercraft

- A. There is no coverage for any "damages" or "medical expenses" "arising out of" the ownership, operation, occupancy, maintenance, use, entrustment to others, loading or unloading of:
 - 1. Any "motor vehicle";
 - 2. Any "recreational motor vehicle" while not on an "insured location" except for a "recreational motor vehicle" not owned by or rented to any "insured";
 - 3. Any "aircraft";
 - 4. Any "hovercraft";
 - 5. Watercraft:
 - a. Owned by or rented to any "insured" if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel 26 feet or more in overall length, with or without auxiliary power; or
 - b. Owned by any "insured" if powered by one or more outboard motors with a combined total of more than 25 horsepower.
- B. This exclusion does not apply to watercraft while they are stored.
- C. This exclusion does not apply to a motorized golf cart within the legal boundaries of a golfing facility to:
 - 1. Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - 2. Travel to or from an area where "motor vehicles" or golf carts are parked or stored;
 - 3. Cross public roads at designated points to access other parts of the golfing facility.
- D. There is no coverage for any "damages" "arising out of" vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using any "motor vehicle", "recreational motor vehicle", "aircraft", "hovercraft" or watercraft.
- E. There is no coverage for any "damages" or "medical expenses" "arising out of" failure to supervise or negligent supervision of any person using any "motor vehicle", "recreational motor vehicle", "aircraft", "hovercraft" or watercraft.
- F. There is no coverage for any "damages" or "medical expenses" if at the time of an "occurrence", the involved vehicle or watercraft is rented to others, used to carry "persons" or cargo for a charge, or used for any "business" purpose, except for a golf cart while within the legal boundaries of a golfing facility.
- G. These exclusions do not apply to "bodily injury" to a "residence employee" "arising out of" and in the course of the "residence employee's" employment by an "insured".

Workers Compensation or Disability

There is no coverage for any amounts an "insured" is legally obligated to pay under any workers compensation, disability benefits, unemployment compensation or similar laws.

Glossary

The language in this section includes certain words or phrases that are given exact meanings to make clear what we mean when we use them. Each word or phrase surrounded by quotation marks is defined in this glossary, in the General Section or in a module under the heading Additional Definitions.

"Aircraft"

See General Section Definitions.

"Arising Out Of"

See General Section Definitions.

"Business"

A trade, profession or occupation, including any activities likely or expected to produce annual gross receipts exceeding \$1,000.

"Bodily Injury"

See General Section Definitions.

"Caused By"

See General Section Definitions.

"Custom Farming"

The use by an "insured" of any "Farm/Ranch Implements and Machinery" in connection with "Farming/Ranching" operations for others for a charge. However, "custom farming" does not include "custom feeding".

"Custom Feeding"

The feeding of "Farm/Ranch" animals of others for a charge on an "insured location".

"Damages"

See General Section Definitions.

"Exchange Help"

Any "person" working for you or under your direction in exchange for your services and not with the expectation of cash wages.

"Farm/Ranch Employee"

Any employee of yours, including leased employees, whose duties are primarily in connection with your "farming/ranching" operations. "Farm/ranch employee" does not include a "residence employee", "exchange help" or any employee while engaged in a "business".

"Farming/Ranching" or "Farm/Ranch"

The process of investment, management or labor to produce agricultural products.

"Farming/Ranching" or "farm/ranch" does not include "custom farming" or "custom feeding".

"Farming/Ranching" or "farm/ranch" does not include retail activities.

"Farm/Ranch Premises"

- A. Land (including private approaches) you own, rent or lease primarily for agricultural use; and
- B. "Farm/Ranch" structures, including residences on such land.

"Fungi"

Any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by "fungi". This does not include any "fungi" that are on, or are contained in, a good or product intended for human or animal consumption as food.

"Household"

Includes all "persons", other than paying roomers or boarders, residing in and sharing the same living space within one dwelling building unit as a family.

"Persons" residing in separate apartments or other dwelling building units within a building are not part of the same "household".

A full-time student who was a resident of the household prior to moving out to attend school, and who has not set up a separate full-time residence may, at your option, be considered a resident of the household until age:

- A. 24 if your relative; or
- B. 21 if in your care or in the care of a relative who is a resident of your "household".

At age 24, the student needs his or her own separate policy or needs to be added as a named insured on this policy in order to have coverage.

"Hovercraft"

See General Section Definitions.

"Insured"

See Who Is An Insured in the liability modules.

"Insured Location"

- A. Any premises shown in the Declarations under Insured Locations;
- B. Any premises you buy or rent for use as a residence during the policy period other than premises used in connection with a "business". Such premises will cease to be an "insured location" on the policy renewal date unless added to the Declarations;
- C. Any premises used by you in connection with the "insured locations" listed above;
- D. Any part of a premises you do not own but where an "insured" is temporarily residing;
- E. Individual or family cemetery plots and burial vaults of an "insured";
- F. Land owned by or rented to an "insured" for the purpose of building a one or two family dwelling for habitation by an "insured";
- G. Any part of a premises occasionally rented to an "insured" for purposes not related to "business";
- H. Any "farm/ranch premises" you buy or rent in the same state as your other insured "farm/ranch premises" is an "insured location" until the end of the policy period in which you took possession; or
- I. Vacant land owned by or rented to you is an "insured location" until the end of the policy period in which you took possession. Land held for "business" purposes or used for "farming/ ranching" is not vacant.

"Medical Expenses"

See General Section Definitions.

"Motor Vehicle"

- A. A motorized land vehicle; or
- B. A trailer or semi-trailer, including any attached machinery or apparatus, designed for use primarily on public roads or subject to motor vehicle registration.
- C. "Motor vehicle" does not include a motorized vehicle in dead storage on an "insured location".
- D. "Motor vehicle" does not include, except when being towed by or carried on a "motor vehicle":
 - 1. A utility, boat, camping or house trailer; or

2. Any other equipment not subject to motor vehicle registration and designed for use primarily off public roads. This includes but is not limited to vehicles which are used to service an "insured's" "residence premises" or designed for assisting the handicapped.

"Named Insured"

See General Section Definitions.

"Occurrence"

See General Section Definitions.

"Person"

See General Section Definitions.

"Pollutant"

Any solid, liquid, gaseous, radioactive or thermal contaminant or irritant, including but not limited to, smoke, vapors, soot, fumes or odors, acids, alkalis, chemicals, and waste. Waste includes materials to be disposed of, reconditioned, recycled or reclaimed. Waste also includes poultry, "livestock" or other animal excrement.

"Property Damage"

See General Section Definitions.

"Recreational Motor Vehicle"

A golf cart, snowmobile, two or three wheel motorcycle, motorscooters, moped, dirt bike, or all terrain vehicle of a utility or recreational nature.

"Residence Employee"

A "person" employed by an "insured" for domestic services at the insured's residence. A "person" performing such services away from the "insured's" residence is also considered a "residence employee" unless the employment involves an "insured's" "business".

"Residence Premises"

When shown as Premises in the Declarations:

- A. A one to four family dwelling in which you reside, including the grounds, structures and private approaches; or
- B. That part or unit of any condominium, townhouse, apartment or other building in which you reside.

"Your Products"

- A. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 1. You;
 2. Others trading under your name; or
 3. A "person" or organization whose "business" or assets you have acquired; and
- B. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- C. "Your products" includes:
 1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your products"; and
 2. The providing of or failure to provide warnings or instructions.
- D. "Your products" does not include vending machines or other property rented to or located for the use of others but not sold.

"Your Work"

Work or operations performed by you or on your behalf, and materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- A. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- B. The providing of or failure to provide warnings or instructions.

Farm/Ranch And Personal Liability Module

This module is part of the Liability Section. The provisions in this module, combined with the provisions in the General Section and the Liability Section provide the personal liability, farm/ranch liability, and medical payments coverages you selected.

Farm/Ranch and Personal Liability Coverage

You have the following coverages only if the Declarations indicate they are provided.

Bodily Injury Liability and Property Damage Liability Coverages

We cover "damages" that result from "bodily injury" or "property damage" "caused by" an "occurrence" to which these coverages apply.

These coverages apply only to "bodily injury" or "property damage" occurring during the policy period.

Defense Obligations

If a "suit" for covered "damages" is brought against an "insured", we will provide a defense at our expense. We have the right to investigate, decide if and how to settle, and choose the attorneys. When we have paid "damages" equal to the limit of liability coverage for an "occurrence", we have no further duty to defend any "insured" for that "occurrence".

We have no duty to defend any "suit" to which this insurance does not apply.

Medical Payments To Others Coverage

You have the following coverage only if the Declarations indicate it is provided.

We will pay "medical expenses" resulting from a covered accident causing "bodily injury" that occurs during the policy period.

We cover "persons" on an "insured location" only if they are there with an "insured's" permission.

We cover "medical expenses" for "bodily injury" occurring off an "insured location":

- A. "Caused by" a condition on any "insured location";
- B. "Caused by" the direct activities of an "insured";
- C. "Caused by" a "residence employee" in the course of employment by an "insured";
- D. "Caused by" an animal owned by or in the care of an "insured"; or
- E. Sustained by a "residence employee" "exchange help", or volunteer worker and resulting from and in the course of their work for you.

Payment under this coverage is made whether or not you are legally liable and is not an admission of legal liability by you or us.

We will pay only expenses determined to be medically necessary and incurred within three years from the date of the accident.

This coverage does not apply if coverage is provided elsewhere in this policy.

Who Is An Insured

Within this module, "insured" is defined as:

- A. You;
- B. If you are a "person":
 - 1. Your relatives who are residents of your "household"; and
 - 2. "Persons" under age 21 who are residents of your "household" and are in your care or in the care of relatives who are residents of your "household";
- C. If you are a "farm/ranch" partnership or joint venture, your members, your partners, and their

- spouses, but only for the conduct of your "farming/ranching" operations;
- D. If you are a "farm/ranch" trust, the trustees but only while acting within the scope of their duties connected with the trust.
 - E. If you are a "farm/ranch" limited liability company, your members, but only for the conduct of your "farming/ranching" operations. Your managers are also "insureds", but only while acting within the scope of their duties for your "farming/ranching" operation;
 - F. If you are a "farm/ranch" corporation or other organization, your executive officers and directors, but only while acting within the scope of their duties for your "farming/ranching" operations;
 - G. "Persons" or organizations responsible for animals or watercraft to which coverage in this module applies and which are owned by any "insured" as identified in A. through F. This does not include "persons" or organizations using or having custody of these animals or watercraft without the consent of the owner or in the course of any "business";
 - H. With respect to your motorized equipment not subject to motor vehicle registration and designed for use in servicing the "residence premises" or for assisting the handicapped, the following are also "insureds":
 - 1. Your employees while operating such equipment in the scope of their employment; and
 - 2. Other "persons" while using such equipment on an "insured location" with your permission; and
 - I. Any "farm/ranch employee", for acts within the scope of their employment by you, or while performing duties related to the conduct of your "farm/ranch" operation.
 - J. "Farm/ranch employees" are not "insureds" for "bodily injury":
 - 1. To you, your partners or members, or co-"employees";
 - 2. To any other "person" who may claim "damages" as a result of an injury to that co-"employee";
 - 3. For which there is any obligation to share "damages" with or repay anyone who must pay "damages" because of the injury described in 1. and 2.; or
 - 4. "Arising out of" the "employee's" providing or failing to provide professional health care services.
 - 5. Your managers (if you are a limited liability company) or your "executive officers" (if you are an organization other than a limited liability company) are not considered "employees" under this category.
 - K. No "person" or organization is an "insured" for the conduct of any current or past partnership, joint venture or limited liability company that is not a "named insured" in the Declarations.

Extra Coverages

Subject to the terms and conditions of the General Section, the Liability Section and this module, amounts paid under Extra Coverages are in addition to the amounts paid as "damages", unless otherwise stated.

Claim Expense Coverage

We will pay the following extra expenses related to settlement of a claim:

Court Costs and Your Expenses

We will pay expenses incurred by us and court costs charged to any "insured" in any "suit" we defend.

We will also pay reasonable expenses incurred by any "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day for helping us in the investigation or defense of any claim or "suit".

Bonds

We will pay premiums on bonds required in any "suit" we defend, but not for bond amounts greater than the limit of liability for this coverage.

We have no duty to furnish or apply for any bonds.

Post Judgment Interest

We will pay interest on the entire judgment which accrues after entry of the judgment and before we pay, tender or deposit in court that part of the judgment which does not exceed the limit of liability coverage that applies.

First Aid Coverage

We will pay expenses incurred by any "insured" for immediate first aid medical treatment of others conducted at the scene of an accident, required because a "person" involved in the accident suffers "bodily injury" covered by this module. We will not pay for first aid to you or any other "insured".

Goodwill Coverage

We will pay up to \$1,000 per "occurrence" to repair or replace property of others accidentally damaged by an "insured", even if you have no legal liability. We will not pay for "property damage" to the extent of any amount recoverable under the Property Section of this policy.

There is no coverage for:

- A. Damage "arising out of" intentional acts of an "insured" who is 13 years of age or older;
- B. Property owned by or rented to an "insured", a tenant of an "insured", or a resident of your "household";
- C. Damage "arising out of" "farming/ranching" operations or "business";
- D. An accident that happens on a location owned, rented or controlled by an "insured" unless it is an "insured location"; or
- E. Damage "arising out of" the ownership, maintenance or use of "farm/ranch" machinery, "motor vehicles", "aircraft" or watercraft.

The Liability Section, Additional Exclusions, Damage to Property D. does not apply to this coverage.

Liability Loss Assessment Coverage

We will pay up to \$1,000 or the limit of insurance indicated in the Declarations per "occurrence" for your share of liability loss assessments made against you during the policy period as a member of a corporation or association of property owners.

The assessment must be made as a result of:

- A. "Bodily injury" or "property damage" not excluded under this policy; or
- B. Liability for an act of a director, officer, or trustee acting in the capacity of a director, officer or trustee who is elected by the members of the corporation or association and receives no income for performing duties which are solely on behalf of the corporation or association of property owners. An act is considered to be a single "occurrence", regardless of how many directors, officers or trustees participate in it.

This extra coverage applies only to liability loss assessments charged against you as owner or tenant of any "insured location".

There is no coverage for assessments charged against you or a corporation or association of property owners by any governmental body.

Credit Card Coverage

We cover an "insured's" legal liability resulting from the theft or unauthorized use of credit cards, electronic fund transfer cards or access devices issued to or registered in an "insured's" name.

The limit of insurance on this coverage is \$1,000 per theft or unauthorized use. Any series of acts committed by any one "person" or in which any one "person" is concerned or implicated is considered to be one theft or unauthorized use.

We do not cover the liability of an "insured" "arising out of" the use of such cards:

- A. By any "insured";
- B. By any resident of your "household";
- C. By any "person" entrusted with them; or
- D. If an "insured" has not complied with all terms and conditions under which the cards are issued.

We do not cover the liability of any "insured" "arising out of" "business" use or dishonesty of any "insured".

Milk Contamination Coverage

We cover "damages" up to \$10,000 per occurrence for "property damage" to the dairy farm products of others "caused by" contamination due to the commingling, incorporation or mixing in of your milk with the dairy products of another "person" or organization, if your milk is known or thought to be defective, spoiled, dangerous, deficient or inadequate.

We have the right to request testing by a laboratory acceptable to us to substantiate the contamination.

We only provide Milk Contamination Coverage if it is physically impossible or economically unfeasible to remove, replace or adjust your contaminated milk.

This Milk Contamination Coverage does not apply when your milk is defective, spoiled, dangerous, deficient or inadequate and such condition "arises out of":

- A. Loading or unloading of milk for transportation;
- B. Mechanical breakdown, corrosion or rust;
- C. Insects, rodents, vermin or birds;
- D. The presence of any drug not authorized for use in dairy operations by the Federal Drug Administration; or
- E. Processing or work upon the milk.

Milk Contamination Coverage does not provide coverage for loss to your milk. This coverage does not increase any limit of insurance under this module.

Notification Of Loss

In case of an accident, "occurrence" or loss to which this insurance may apply, refer to the General Section for specific notification of loss instructions.

Medical Payments to Others

The "person" making claim shall also be examined by physicians chosen and paid by us as often as we may reasonably request. If the "person" making claim is deceased or otherwise unable to act, his or her legal representative shall authorize us to obtain all medical reports and records.

Payment For Loss

The Payment For Loss provisions in the General Section and the Liability Section apply and are expanded as follows with respect to coverage provided by this module.

Limit of Insurance Additional Provisions

Farm/Ranch and Personal Liability Aggregate Limit

The aggregate limit indicated in the Declarations is the most we will pay for "damages" and "medical expenses" for all "occurrences" occurring within one 12-month policy period regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" injured.

The aggregate limit applies separately to each consecutive policy period and to any remaining period of less than 12 months starting with the beginning of the policy period indicated in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period is considered part of the last preceding period for determining the limit of insurance.

Additional Definitions

Under the Farm/Ranch and Personal Liability Module, the Definitions in the General Section and the definitions in the Glossary - Liability Section apply. If a word is defined in more than one location, the definition in this module takes precedence for the coverages described in this module. The definitions are

expanded as follows:

"Farm/Ranch Implements and Machinery"

Machinery and vehicles operating on wheels or tracks which are usual or incidental to the operation of a "farm/ranch" and are designed principally for use off public roads.

This definition does not include automobiles, trucks, motorcycles, "recreational motor vehicles" or all terrain utility vehicles.

"Livestock"

Cattle, including buffalo and beefalo; swine; sheep and goats; alpacas and llamas; horses, mules and donkeys, but not race horses, show horses or show ponies.

"Property Damage"

- A. Physical injury to or destruction of tangible property, including all resulting loss of use; or
- B. The loss of use of tangible property that is not physically damaged. All such loss of use shall be deemed to start at the time of the "occurrence" that caused it.

"Raw Milk"

Any non-pasteurized milk from any hoofed mammal including, but not limited to, cattle, sheep or goats and includes any foods made from "raw milk" when left in an unpasteurized state. However, this does not include hard cheese products made from "raw milk" when the cheese has been aged over 60 days.

Additional Exclusions

Under the Farm/Ranch and Personal Liability Module, the Exclusions in the General Section and Additional Exclusions in the Liability Section apply and are expanded as follows:

Business

There is no coverage under this module for "damages" or "medical expenses" "arising out of" or in connection with a "business" engaged in by an "insured" whether or not that "business" is insured under another module under this policy.

This exclusion does not apply to "farming/ranching" or to rental or holding for rental of "farm/ranch" property for "farming/ranching".

This "business" exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

Contaminated Milk

Except as provided in Contaminated Milk extra coverage, we will not pay for any "damages" "arising out of" the contamination of dairy farm products of others due to the commingling, incorporation or mixing in of your milk with the dairy products of another "person" or organization.

Persons Not Covered

There is no coverage for:

- A. "Damages" for "bodily injury" to you or any other resident of your "household". This exclusion also applies to any claim made or "suit" brought against you;
- B. "Medical expenses" incurred by you or any other resident of your "household";
- C. "Damages" for "bodily injury" to any "farm/ranch employee" "arising out of" and in the course of employment by an "insured";
- D. "Medical expenses" incurred by any "insured's" employee except voluntary employees, "exchange help" or "residence employees"; or
- E. "Medical expenses" incurred by anyone regularly residing on any part of an "insured location" other than a "residence employee".

Pollution

There is no coverage for "damages" or "medical expenses" "arising out of" the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- A. At or from any premises, site, or location which is or was at any time, owned or occupied by, or rented or loaned to, any "insured". However, this paragraph does not apply if:
 1. The "bodily injury" is sustained within a building and is "caused by" smoke, fumes, vapor or soot from equipment that is used to heat, cool or dehumidify the building, or to heat water;
 2. The "bodily injury" or "property damage" is "caused by" heat, smoke or fumes from a hostile fire; or
 3. The "bodily injury" or "property damage" is "caused by" heat, smoke or fumes from a fire set in the normal and usual "farming/ranching" practice of burning off crop stubble and other vegetation, provided such practices are not in violation of any statute, ordinance or regulation.
- B. At or from any premises, site, or location which is or was at any time used by or for any "insured" or others for the handling, storage, disposal, processing or treatment of waste;
- C. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or any "person" or organization for whom you may be legally responsible; or
- D. At or from any premises, site, or location on which any "insured" or any contractors or subcontractors working directly or indirectly on any "insured's" behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor. However, this paragraph does not apply if:
 1. The "bodily injury" or "property damage" is "caused by" the escape of fuels, lubricants or other operating fluids which are needed to perform the normal functions necessary for the operation of "farm/ranch implements and machinery", if such fuels, lubricants or other operating fluids escape from a "farm/ranch implements and machinery" part designed to hold, store or receive them. This exception does not apply if:
 - a. The fuels, lubricants or other operating fluids are intentionally released; or
 - b. The fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent or being released; or
 2. The "bodily injury" or "property damage" is "caused by" heat, smoke or fumes from a hostile fire.

As used in this exclusion hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

Out of State Residents

There is no coverage for any accident, "occurrence" or loss occurring in a state that does not contain an "insured location" unless the incident is directly related to the ownership, maintenance or use of an "insured location" indicated in the Declarations. This exclusion does not apply to any "insured" whose primary residence is in a state containing a location indicated in the Declarations.

Raw Milk

There is no coverage for "damages" or "medical expenses" "arising out of" the sale or distribution of "raw milk" for direct consumption as "raw milk". However, this exclusion does not apply to consumption of "raw milk" provided it was not sold, offered for sale or provided as a product sample.

Optional Coverages

You have these optional coverages only if specifically named in the Declarations. Except as otherwise stated, these optional coverages are subject to all the provisions of the General Section, Liability Section and this module.

Additional Insured for Premises Liability

"Insured" includes each "person" or organization indicated in the Declarations as an Additional Insured for Premises Liability, but only with respect to "bodily injury" or "property damage" "caused by" your ownership, maintenance or use of the specified "insured location".

This coverage does not apply to "bodily injury" to an employee "arising out of" or in the course of the employee's employment by the "person" or organization indicated in the Declarations as an Additional Insured.

Personal Injury Liability

A. Coverage

The definition of "bodily injury" is amended to include personal injury. Personal injury means injury (other than "bodily injury" or "property damage") "caused by" one or more of the following offenses:

1. False arrest, detention or imprisonment, or malicious prosecution;
2. Oral or written publication of material that:
 - a. Libels, slanders or defames a "person's" or organization's character;
 - b. Disparages a "person's" or organization's goods, products, or services; or
 - c. Violates a "person's" right of privacy; or
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises by or on behalf of its owner, landlord, or lessor.

B. Personal Injury Liability Exclusions

1. The following exclusions are in addition to the other applicable exclusions in the General Section and Liability Section. The Intentional Acts exclusion in the General Section does not apply to Personal Injury Liability.
2. There is no coverage for:
 - a. Any liability assumed under any contract or agreement.
This exclusion does not apply to written contracts
 - i. That relate directly to the ownership, maintenance or use of an "insured location";
 - ii. Where the liability of others is assumed by the "insured" prior to an offense, unless excluded elsewhere in this policy; or
 - iii. Where the "insured" would have been held liable in the absence of the contract or agreement.
 - b. Injury "arising out of" a violation of a penal law or ordinance committed by or with the knowledge or consent of any "insured";
 - c. Any "damages" "arising out of":
 - i. Refusal to employ any "person";
 - ii. Termination of any "person's" employment; or
 - d. Employment related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at any "person".
 - i. There is no coverage for any other "person's" claim for "damages" "arising out of" such refusal to employ, termination, employment related practices, policies, acts or omissions.
 - ii. These exclusions apply:
 - (a) Whether the "insured" may be held liable as an employer or in any other capacity; and
 - (b) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury;
 - e. Injury "arising out of" any "business" of an "insured";
 - f. Liability "arising out of" civic or public activities performed for pay by any "insured"; or
 - g. Any offense which was committed or started prior to the policy period.

C. The limit indicated in the Declarations for Bodily Injury Liability/Property Damage Liability is the most we will pay as the result of any one offense. This Optional Coverage does not increase the Bodily Injury Liability/Property Damage Liability limit.

Medical Payments for Persons Named

We will pay "medical expenses" for each "person" named in the Declarations under Medical Payments for Persons Named. We will pay only expenses resulting from an accident causing "bodily injury" "arising out of" and in the course of work performed in connection with the ownership, maintenance or use of the "farm/ranch premises".

The limit indicated in the Declarations is the most we will pay for any one "person" as the result of any one "occurrence".

We will pay only that part of covered "medical expenses" that exceed the per person, per "occurrence"

deductible as indicated in the Declarations for this coverage.

We will pay only expenses determined to be medically necessary and incurred within three years from the date of the accident.

Any payments for "medical expenses" shall be excess over any other collectible insurance.

Livestock Collision

We cover loss by death of "livestock" owned by you "caused by" collision with a vehicle.

There is no coverage for:

- A. Loss "arising out of" any vehicle owned or operated by any "insured", your employees, or residents of the "farm/ranch premises".
- B. "Livestock" being transported by anyone; or
- C. "Livestock" used in any "business" at the time of loss.

We will pay the actual cash value of the animal at the time of death but in no event an amount greater than \$5,000 on any one head of "livestock".

No deductible applies to this coverage.

Borrowed Farm/Ranch Personal Property

- A. We cover damage to "farm/ranch" personal property any "insured" borrows for use in the operation of your "farm/ranch". This coverage does not extend to any other use except "farm/ranch" use.
- B. We will pay the smallest of:
 - 1. The limit of insurance indicated in the Declarations for Borrowed Farm/Ranch Personal Property Coverage;
 - 2. The actual cash value of the damaged property; or
 - 3. The cost to repair or replace the property with like kind and quality.
- C. We may, at our option, keep any damaged property we pay for.
- D. There is no coverage for:
 - 1. Property insured elsewhere in your policy;
 - 2. Damage "arising out of" intentional acts of any "insured" who is 13 years of age or older;
 - 3. Property that is rented or leased to any "insured", any resident of your "household", your employee, or your tenant;
 - 4. Damage "arising out of":
 - a. Any "business" activities or professional services or advice;
 - b. Any act or omission in connection with a premises owned, rented or leased by any "insured", other than the insured premises;
 - c. The ownership, maintenance, operation, use, loading or unloading of any land "motor vehicle", trailer or semi-trailer, "aircraft" or watercraft, "farm/ranch" machinery or equipment except borrowed "farm/ranch" machinery or equipment, but in no event will we cover the rendering of or failure to render maintenance on any "farm/ranch" machinery or equipment by any "insured";
 - 5. Damage to soil preparation or tillage equipment "arising out of" impact with an object in or below the surface of the ground, or to silo unloaders "caused by" impact with any other object;
 - 6. Loss of use, disappearance, conversion or abstraction; or
 - 7. Loss or damage "arising out of" wear and tear, marring, scratching or deterioration; inherent vice, latent defect, mechanical or electrical breakdown; birds, vermin, insects, rodents, skunks, raccoon or domestic animals; other animals owned or kept by an "insured"; freezing; rust, electrolysis or other corrosion; mold, fungi or bacteria; wet or dry rot or warping. If loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

The Liability Section, Additional Exclusions, Damage to Property D. does not apply to this coverage.

This coverage is primary when the insured is legally liable for the damage to the borrowed machinery.

Waterbed Liability

We cover "damages" for "property damage" "caused by" a waterbed owned, maintained or used by an "insured" on the "residence premises".

There is no coverage if the waterbed is not equipped with a safety liner designed to contain water discharged from the mattress.

The limit indicated in the Declarations for Bodily Injury Liability/Property Damage Liability is the most we will pay as the result of any one "occurrence". This Optional Coverage does not increase the Bodily Injury Liability/Property Damage Liability limit.

Farm/Ranch Employer Liability Module

This module is part of the Liability Section. The provisions in this module, combined with the provisions in the General Section and the Liability Section provide the farm/ranch employer liability and medical payments to farm/ranch employer coverages you selected.

Farm/Ranch Employer Liability Coverage

You have the following coverage only if the Declarations indicate it is provided.

Bodily Injury Liability Coverage

We cover "damages" you become legally obligated to pay as a result of accidental "bodily injury" to your "farm/ranch employee." The "bodily injury" must be the direct result of employment by you in your "farm/ranch" operation.

This coverage applies only to "bodily injury" occurring during the policy period.

Defense Obligations

If a "suit" for covered "damages" is brought against an "insured," we will provide a defense at our expense. We have the right to investigate, decide if and how to settle, and choose the attorneys. When we have paid "damages" equal to the limit of liability coverage for an "occurrence," we have no further duty to defend any "insured" for that "occurrence."

We have no duty to defend any "suit" to which this insurance does not apply.

Medical Payments To Farm/Ranch Employees Coverage

You have the following coverage only if the Declarations indicate it is provided.

We will pay "medical expenses" resulting from a covered accident causing "bodily injury" to your "farm/ranch employee." The "bodily injury" must be a direct result of employment by you in your "farm/ranch" operation.

This coverage applies only to "bodily injury" occurring during the policy period.

We will pay only expenses determined to be medically necessary and incurred within three years from the date of the accident.

Payment under this coverage is made whether or not you are legally liable and is not an admission of liability by you or us.

Who Is An Insured

Within this module, "insured" is defined as:

- A. You;
- B. If you are a "person":
 1. Your relatives who are residents of your "household"; and
 2. "Persons" under age 21 who are residents of your "household" and are in your care or in the care of relatives who are residents of your "household";
- C. If you are a "farm/ranch" partnership or joint venture, your members, your partners, and their spouses, but only for the conduct of your "farming/ranching" operations;
- D. If you are a "farm/ranch" trust, the trustees but only while acting within the scope of their duties connected with the trust.
- E. If you are a "farm/ranch" limited liability company, your members, but only for the conduct of your "farming/ranching" operations. Your managers are also "insureds," but only while acting within the scope of their duties for your "farming/ranching" operation;
- F. If you are a "farm/ranch" corporation or other organization, your executive officers and directors, but only while acting within the scope of their duties for your "farming/ranching" operations;

- G. "Persons" or organizations responsible for animals or watercraft to which coverage in this module applies and which are owned by any "insured" as identified in A. through F. This does not include "persons" or organizations using or having custody of these animals or watercraft without the consent of the owner or in the course of any "business";
- H. No "person" or organization is an "insured" for the conduct of any current or past partnership or joint venture that is not a "named insured" in the Declarations.

Extra Coverages

Subject to the terms and conditions of the General Section, the Liability Section and this module, amounts paid under Extra Coverages are in addition to the amounts paid as "damages," unless otherwise stated.

Claim Expenses Coverage

We will pay the following extra expenses related to settlement of a claim:

Court Costs and Your Expenses

We will pay expenses incurred by us and court costs charged to any "insured" in any "suit" we defend.

We will also pay reasonable expenses incurred by any "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day for helping us in the investigation or defense of any claim or "suit."

Bonds

We will pay premiums on bonds required in any "suit" we defend, but not for bond amounts greater than the limit of liability for this coverage.

We have no duty to furnish or apply for any bonds.

Post Judgment Interest

We will pay interest on the entire judgment which accrues after entry of the judgment and before we pay, tender or deposit in court that part of the judgment which does not exceed the limit of liability coverage that applies.

First Aid Coverage

We will pay expenses incurred by any "insured" for immediate first aid medical treatment to "farm/ranch employees" conducted at the scene of the accident, required because a "farm/ranch employee" involved in the accident suffers "bodily injury" covered by this module. We will not pay for first aid to you or any other "insured."

Notification Of Loss

In case of an accident, "occurrence" or loss to which this insurance may apply, refer to the General Section for specific notification of loss instructions.

Medical Payments to Others

The "person" making claim shall also be examined by physicians chosen and paid by us as often as we may reasonably request. If the "person" making claim is deceased or otherwise unable to act, his or her legal representative shall authorize us to obtain all medical reports and records.

Payment For Loss

The Payment For Loss provisions in the General Section and the Liability Section apply except that the Limit of Insurance provisions in the Liability Section are replaced with the following with respect to coverage provided by this module:

Limit of Insurance

The limit of insurance indicated in the Declarations for Farm/Ranch Employer Liability is the most we will pay for all "damages" from any one "occurrence," regardless of the number of "insureds," claimants,

claims made or employees injured.

The limit of insurance indicated in the Declarations for Medical Payments to Farm/Ranch Employees is the most we will pay for "medical expenses" for one "farm/ranch employee" as the result of one "occurrence."

The extra coverages in this module are subject to specific limits as explained under those extra coverages.

Additional Exclusions

Under the Farm/Ranch Employer Liability Module, the Exclusions in the General Section and Additional Exclusions in the Liability Section apply and are expanded as follows:

The Additional Exclusion in the Liability Section for Vehicles, Aircraft, Hovercraft or Watercraft does not apply with respect to coverage provided under this module. However, this module includes the Aircraft or Hovercraft exclusion below.

Aircraft or Hovercraft

There is no coverage for "damages" or "medical expenses" "arising out of" the operation, use, maintenance, loading or unloading of any "aircraft" or "hovercraft."

There is no coverage for "damages" or "medical expenses" "arising out of" vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using any "aircraft" or "hovercraft."

There is no coverage for "damages" or "medical expenses" "arising out of" failure to supervise or negligent supervision of any person using any "aircraft" or "hovercraft."

Business

There is no coverage under this module for "damages" or "medical expenses" "arising out of" or in connection with a "business" engaged in by an "insured."

This exclusion does not apply to "farming/ranching" or to rental or holding for rental of "farm/ranch" property for "farming/ranching."

This "business" exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business."

Persons Not Covered

There is no coverage under this module for "damages" for "bodily injury" to or "medical expenses" incurred by:

- A. You or any other resident of your "household." This exclusion also applies to any claim made or "suit" brought against you;
- B. Any "person" who is a partner or member of a limited liability company or corporation having ownership in the "farming/ranching" operation; or
- C. "Residence employees" or "exchange help."

This exclusion does not apply to "persons" specifically named in the Declarations under the Farm/Ranch Employer Liability Module.

Additional Conditions

Under the Farm/Ranch Employer Liability Module, the Conditions in the General Section apply and are expanded as follows:

Premium Adjustment

Premium for the Farm/Ranch Employer Liability Module is based upon annual payroll paid to "farm/ranch employees." Payroll consists of cash wages only.

We may request current payroll information at any time. The information given must be a true and

accurate statement of the amount of payroll paid during the period of time for which coverage is provided. An additional or return premium may be calculated based on the payroll information you provide. You agree to pay any additional premium so calculated.

Property Section

This section, combined with the General Section and property modules, provides the property coverages you selected, as identified in the Declarations.

For each type of property you own or rent, you need specific property insurance protection. Dwellings, buildings, and other property are identified in the Declarations. Personal property is insured on an unscheduled (blanket) basis, except for items you have chosen to schedule individually.

Introduction

Your property coverages are determined by combining the terms and provisions of the General Section and Property Section with one or more of the following property modules:

- A. Dwelling Module for the homeowner or "farm/ranch" owner, providing coverage for owner occupied dwellings, seasonal use dwellings, rental dwellings and certain related property.
- B. Mobile Home Module for the mobile home owner, providing coverage for mobile homes and certain related property.
- C. Household Personal Property Module for the homeowner, "farm/ranch" owner, mobile home owner, or renter, providing coverage for household personal property.
- D. Condo-Owners Property Module for the owner of a condominium, providing coverage for both household personal property and certain condominium property.
- E. Garages, Outbuildings and Other Structures Module, providing coverage for the owner of detached garages, outbuildings or other structures.
- F. Farm/Ranch Personal Property Module for farmers/ranchers, providing blanket coverage and/or scheduled coverage for personal property used in the "farm/ranch" operation.
- G. Scheduled Personal Property Module, providing scheduled coverage for owners of specific items of personal property such as expensive jewelry, sporting goods or fine art.

Covered Causes Of Loss

The Scheduled Personal Property Module includes a separate Cause of Loss Index applicable only to that module.

For the other modules (Dwelling; Mobile Home; Household Personal Property; Condo; Garages, Outbuildings and Other Structures; and Farm/Ranch Personal Property), the Declarations indicate whether property is insured for Named Causes of Loss or Special Causes of Loss.

Named Causes of Loss

When the Declarations indicate coverage for Named Causes of Loss, coverage is provided for only the causes of loss identified by number in the Declarations. Refer to the Named Causes of Loss Index in this section.

Special Causes of Loss

When the Declarations indicate coverage for Special Causes of Loss, coverage is provided for accidental direct physical loss except as excluded.

Refer to the Special Causes of Loss Index in this section.

Notification Of Loss

In case of an accident or loss to which this insurance may apply, refer to the General Section for specific notification of loss instructions.

Pollutant Cleanup and Removal

We must be notified immediately of any loss that may require cleanup and removal of pollutants. Pollutant Cleanup expenses payable under the Extra Coverages in the property modules will be made only if the loss is reported to us within 180 days of when it occurs.

Payment For Loss

The Payment For Loss provisions in the General Section apply and are expanded as follows with respect to coverage provided by this section.

Vacant Property

Except where specifically limited elsewhere in this policy, coverage on buildings will not be affected by being "vacant" unless the "vacancy" lasts more than 180 consecutive days. In the event of loss to buildings "vacant" for more than 180 consecutive days we will pay 50% of the amount we would have paid if the building had not been "vacant".

Outbuildings used seasonally due to the normal practices of "Farming/Ranching" are not considered "vacant" for the purposes of the Vacant Property Payment For Loss provision.

Mortgagee

- A. The word mortgagee includes contract for deed vendor.
- B. If a mortgagee is named in the Declarations, any loss payable on property subject to the mortgage or contract will be paid to you and the mortgagee, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages or contracts.
- C. If we deny your claim, the denial will not apply to a valid claim of the mortgagee if the mortgagee:
 - 1. Notifies us of any change in ownership, occupancy or substantial change in exposure of which the mortgagee is aware;
 - 2. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - 3. Submits a Signed Sworn Statement in Proof of Loss within 60 days after receiving notice of the denial of your claim.
 - 4. Submits to an examination under oath, as often as we may reasonably require, and provide us with proof of their insurable interest in the property.
- D. If this policy is canceled for any reason, the mortgagee will be notified in writing at least 10 days before the date cancellation takes effect.
- E. If we pay the mortgagee for any loss and deny payment to you:
 - 1. We assume all the rights of the mortgagee granted under the mortgage or contract and are entitled to an assignment of the mortgage or contract to the extent of our payment; or
 - 2. At our option, we may pay the mortgagee the entire amount of the principal on the mortgage or contract plus any accrued interest. In this event we will receive a full assignment and transfer of the mortgage or contract and all securities held as collateral to the debt.
- F. This policy's Appraisal, Loss Payment and Legal Action Against Us provisions apply to mortgagees.

Loss Payee

If a loss payee is named in the Declarations, any loss payable on property in which the loss payee has a financial interest will be paid to you and the loss payee as interests appear. The loss payee shall have no independent right of recovery. The loss will be settled only with you.

Additional Exclusions

These exclusions apply in addition to those in the General Section and applicable property modules.

These exclusions apply regardless of the cause of the excluded event or of any other cause or event contributing concurrently or in any sequence to the loss.

These exclusions apply regardless of whether the excluded cause or event is a direct or indirect cause of loss.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

Ordinance or Law

There is no coverage for loss or expense "arising out of" the enforcement of any ordinance or law requiring or regulating the construction, repair or demolition of a building or other structure, unless specifically provided in this policy.

Earth Movement

There is no coverage for loss "arising out of":

- A. Earthquake;
- B. Land shock waves or tremors before, during or after a volcanic eruption;
- C. Landslide;
- D. Mine subsidence;
- E. Mudflow; or
- F. Earth sinking, rising or shifting.

This exclusion applies regardless of whether human or animal forces or any act of nature caused the earth movement.

If loss or damage due to fire, explosion or theft results, we will pay for that resulting loss or damage unless another exclusion applies.

Water Damage

- A. There is no coverage for loss "arising out of" flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, even if driven by wind.
- B. There is no coverage for loss "arising out of" water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through, a building, sidewalk, driveway, foundation, swimming pool or other structure.
- C. There is no coverage for loss "arising out of" water or waterborne material that backs up through sewers or drains or overflows from a sump.

If loss or damage due to fire, explosion or theft results, we will pay for that resulting loss or damage unless another exclusion applies.

Fungi, Wet Or Dry Rot, Or Bacteria

There is no coverage for loss "arising out of" "fungi," wet or dry rot, or bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, or bacteria.

This exclusion does not apply:

- A. When "fungi," wet or dry rot, or bacteria results from fire or lightning;
- B. To the Scheduled Personal Property Module; or
- C. To the extent coverage is provided for in a Fungi, Wet Or Dry Rot, Or Bacteria Extra Coverage under a property module with respect to loss "caused by" a covered cause of loss other than fire or lightning.

If "fungi," wet or dry rot or bacteria results in a Covered Cause of Loss, we will pay for the loss or damage "caused by" that Covered Cause of Loss.

Power Failure

There is no coverage for loss "arising out of" the failure of power or other utility service if the failure takes place off the "insured premises".

If power failure results in a Covered Cause of Loss. We will pay for the loss or damage "caused by" that Covered Cause of Loss.

Neglect

There is no coverage for loss "arising out of" your failure to use all reasonable means to save, protect and preserve property at or after the time of loss, or when property is endangered by a covered cause of loss.

Weather Conditions

There is no coverage for loss "arising out of" weather conditions. This exclusion applies only if weather conditions contribute in any way with a cause or event subject to the Exclusions in the General Section and Additional Exclusions in the Property Section entitled:

- A. Ordinance or Law;
- B. Earth Movement;
- C. Water Damage;
- D. Power Failure;
- E. Neglect;
- F. Nuclear Hazard; or
- G. Intentional Loss.

If loss or damage by a covered cause of loss results, we will pay for that resulting loss or damage.

Acts or Decisions

There is no coverage for loss "arising out of" acts or decisions, including the failure to act or decide, by any governmental body or organization acting on its own behalf.

If loss or damage by a covered cause of loss results, we will pay for that resulting loss or damage.

Faulty, Inadequate or Defective Planning, Construction or Maintenance

There is no coverage for loss "arising out of" faulty, inadequate or defective:

- A. Planning, zoning, development, surveying or siting;
- B. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction;
- C. Materials used in repair, construction, renovation or remodeling; or
- D. Maintenance of part or all of any property whether on or off the "insured premises".

If loss or damage by a covered cause of loss results, we will pay for that resulting loss or damage.

Computer Virus or Programming Error

There is no coverage for loss to any computer hardware, software, operating systems, networks, microprocessors, or any other computerized or electronic equipment "caused by" computer virus or programming error.

If loss or damage by a covered cause of loss results, we will pay for that resulting loss or damage.

Additional Conditions

Proof of Loss and Inventory

Within 60 days after our request, submit to us on a form we will provide, your Signed, Sworn Statement in Proof of Loss which sets forth to the best of your knowledge and belief:

- A. The time and cause of loss;
- B. The interest you and all others have in the property involved and all liens on the property;
- C. Other insurance, warranties, and guarantees which may cover the property;
- D. Changes in the title or occupancy of the property during the policy period;
- E. Specifications of the damaged property and detailed estimates for repair of the damage; and
- F. An inventory of damaged personal property, describing it in full. It should show in detail the amount insured under this policy and the actual cash value. Attach bills, receipts and other documents to support your inventory. Attach receipts for additional living expenses incurred or records that support the fair rental value.

Appraisal

If you and we fail to agree on the amount of your covered property loss, we may agree to an appraisal. If we agree to an appraisal, the following procedure will be used:

- A. Each of us will select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the agreement to appraisal.

- B. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days of their selection, you or we may ask a judge of a court of record with jurisdiction in the state of South Dakota to select an umpire.
- C. The appraisers will then state separately the actual cash value and the amount of covered loss.
- D. If the appraisers fail to agree, they will submit their difference to the umpire. Written agreement signed by any two of these three will set the amount of covered loss but will not be binding on either you and us.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and compensation of the umpire will be paid equally by you and us.

None of the rights under this policy will be waived by agreeing to an appraisal.

Named Causes Of Loss Index

A. When the Declarations indicate coverage for Named Causes of Loss, we insure your property as described in the Declarations for sudden and accidental direct physical loss "caused by" the Named Causes of Loss indicated by number in the Declarations. The Named Causes of Loss are shown below. The coverage provided is subject to the General Section Exclusions, the Additional Exclusions in this Property Section, and any applicable property module exclusions.

- 1. **Fire or Lightning**
- 2. **Explosion**
- 3. **Windstorm or Hail**

We cover sudden and accidental direct physical loss to covered property "caused by" windstorm or hail. Loss "caused by" rain, snow, sleet, sand or dust to the interior of a building or property contained in a building is covered only when the direct force of windstorm or hail causes an opening in a roof or wall and rain, snow, sleet, sand or dust enters through this opening.

We cover your rowboats and canoes for direct physical loss "caused by" windstorm or hail only while on your "insured premises".

We cover your watercraft (other than rowboats or canoes) and their trailers, furnishings, equipment and outboard motors for direct physical loss "caused by" windstorm or hail only while in a fully enclosed building.

- 4. **Riot or Civil Commotion**
- 5. **Aircraft**

We cover sudden and accidental direct physical loss to covered property "caused by" aircraft, including self-propelled missiles and spacecraft.

- 6. **Vehicles**

We cover sudden and accidental direct physical loss to covered property "caused by" vehicles.

We do not cover loss to "livestock," fences, driveways, walks, or buildings other than dwellings or private garages "arising out of" any vehicle owned or operated by any "insured," your employees, or residents of the "insured premises".

- 7. **Smoke**

We cover sudden and accidental direct physical loss to covered property "caused by" smoke. Smoke includes the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

We do not cover loss "arising out of" smoke from agricultural smudging or industrial operations.

- 8. **Volcanic Eruption**

We cover direct physical loss to covered property "caused by" volcanic eruption.

We do not cover loss "arising out of" earthquake, land shock waves or tremors.

- 9. **Vandalism or Malicious Mischief**

We cover direct physical loss to covered property "caused by" vandalism or malicious mischief.

We do not cover any loss to a dwelling or its contents "caused by" vandalism or malicious mischief or any damage "caused by" any intentional or wrongful act committed in the course of

vandalism or malicious mischief, if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant".

Under this cause of loss we do not cover pilferage, theft, burglary or larceny, but we do cover damage "caused by" burglars to a covered dwelling.

We do not cover vandalism or malicious mischief committed by an insured or by any other person regularly residing on any "insured premises".

10. Theft

We cover direct physical loss to or of covered property "caused by" theft or attempted theft.

There is no coverage for:

- a. Theft committed by any "insured" or by any other "person" regularly residing on any "insured premises;"
- b. Theft from that part of any "insured premises" rented to others or held for rental by an "insured" to other than an "insured". This does not apply to theft of property insured under the Farm/Ranch Personal Property Module;
- c. Theft in or to a dwelling under construction, until the dwelling is completed and occupied;
- d. Theft of any materials and supplies for use in the construction of a dwelling until the dwelling is completed and occupied;
- e. Theft of household personal property that occurs off the "residence premises" while at any residence owned by, rented to, or occupied by any "insured," except while any "insured" temporarily living there. Property of a student who is an "insured" is covered for theft while at the student's school residence away from home if the student has been at that residence at any time during the 45 days immediately before the loss; or
- f. Theft of watercraft, their furnishings, equipment and outboard engines or motors off the "residence premises". However, theft of other personal property left on the watercraft is not excluded.
- g. Loss of "farm/ranch" personal property or "business" personal property by losing, misplacing, mysterious disappearance or where the only evidence of loss is a shortage disclosed upon taking inventory.

11. Falling Objects

We cover direct physical loss to covered property "caused by" falling objects.

We do not cover damage to:

- a. The interior of a building or property inside a building, unless the roof or an exterior wall of the building is first damaged by the falling object; or
- b. The falling object itself.

12. Weight of Ice, Snow or Sleet

We cover direct physical loss to covered property "caused by" the weight of ice, snow or sleet to a building and property inside the building.

We do not cover loss to an awning, fence, spa, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, dock or hoist under this cause of loss.

13. Accidental Discharge or Overflow

We cover direct physical loss to covered property "caused by" sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning system, automatic fire protective sprinkler system or from within a household appliance or waterbed. We pay for tearing out and replacing any part of the covered property necessary to repair the system or appliance from which the water or steam escaped.

A plumbing system does not include a sump, sump pump, or related equipment, or a roof drain, gutter, downspout or similar fixtures or equipment for this cause of loss.

We do not cover loss:

- a. To the system or appliance from which the water or steam escaped;
- b. "Arising out of" freezing, except as provided under the Named Cause of Loss - Freezing;
- c. On an "insured premises" "arising out of" accidental discharge or overflow that occurs off the "insured premises";

- d. "Arising out of" constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years; or
- e. To a dwelling if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant".

14. Rupture of Heating, Air Conditioning or Sprinkler Systems

We cover direct physical loss to a steam or hot water heating system, air conditioning system, fire protective sprinkler system or an appliance for heating of water "caused by" sudden an accidental tearing apart, cracking, burning or bulging.

We do not cover losses "arising out of" or resulting from freezing, except as provided under the Named Cause of Loss - Freezing.

15. Freezing

- a. We cover direct physical loss "caused by" freezing of a plumbing, heating, air conditioning, or fire protective sprinkler system and freezing of a household appliance, but only if you have used reasonable care to:
 - i. Maintain heat in the building; or
 - ii. Shut off the water supply and drained the system and appliances of water.
- b. However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.
- c. Under this cause of loss sumps, sump pumps or related equipment; roof drains, gutters, downspouts and similar fixtures or equipment are not considered part of a plumbing system or household appliance.
- d. We do not cover loss "arising out of" freezing to:
 - i. Fences, pavement, patios, retaining walls, swimming pools;
 - ii. Foundations, footings, bulkheads, walls or any other structure or device that supports all or part of a building or other structure;
 - iii. Septic systems, bulkheads, piers, wharves, docks or hoists; or
 - iv. "Farm/ranch" personal property not inside a building; or
 - v. "Business" personal property not inside a building.

16. Sudden and Accidental Damage from Artificially Generated Electrical Current

We cover damage which occurs suddenly and accidentally and is "caused by" artificially generated electrical current.

We do not cover loss to electronic devices or systems, including but not limited to, video, audio, communications or alarm equipment or systems.

We do not cover loss to property used at any time or in any manner for any "business" purpose.

- B. For additional causes of loss applicable to farm/ranch personal property, refer to the Farm/Ranch Personal Property module.

Special Causes Of Loss Index

When the Declarations indicate coverage for Special Causes of Loss, we insure your property as described in the Declarations for accidental direct physical loss except as excluded under the exceptions and limitations outlined below. The coverage provided is subject to the General Section Exclusions, the Additional Exclusions in this Property Section, and any applicable property module exclusions.

These Special Causes of Loss do not apply to "livestock" or "poultry". Refer to the Farm/Ranch Personal Property module for coverage on "livestock" or "poultry".

Exceptions And Limitations

Gradual or Sudden Loss

- A. There is no coverage for loss "arising out of":
 - 1. Wear and tear, marring, scratching or deterioration;
 - 2. Inherent vice, latent defect, mechanical breakdown, or any quality in property that causes it to damage or destroy itself;

3. Birds, vermin, insects, rodents, skunks, raccoons or domestic animals;
 4. Animals owned or kept by an "insured";
 5. Smog;
 6. Smoke, vapor or gas from agricultural smudging or industrial operations;
 7. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself "caused by" a Named Cause of Loss 1 through 16;
 8. Rust, electrolysis or other corrosion;
 9. Warping;
 10. Settling, shrinking, bulging, or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings; or
 11. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years.
- B. If any of these causes the sudden and accidental escape of water or steam from within:
1. A storm drain, or water, steam or sewer pipe, off the "residence premises"; or
 2. A plumbing, heating, air conditioning or automatic fire protective sprinkler system or a household appliance on the "residence premises";
- we cover the loss "caused by" the water.
- C. We also cover the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water or steam escaped.
- D. We do not cover such losses resulting from discharge or overflow from within a sump, sump pump or related equipment, roof drain, gutter, downspout or similar fixtures or equipment.
- C. If loss or damage not precluded by any other provision in this policy results, we will pay for that resulting loss or damage.

Freezing, Discharge, Leakage or Overflow

There is no coverage for loss "arising out of":

- A. Water freezing in a plumbing, heating, air conditioning, automatic fire protective sprinkler system or household appliance; or
- B. Discharge, leakage or overflow from within the system or appliance "arising out of" freezing.

This limitation does not apply if you have used reasonable care to maintain heat in the building or shut off and drained the water system or appliance. We do not cover any such losses resulting from discharge or overflow from within a sump, sump pump or related equipment, roof drain, gutter, downspout or similar fixtures or equipment.

If the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

If loss or damage not precluded by any other provision in this policy results, we will pay for that resulting loss or damage.

Freezing, Thawing, or the Pressure or Weight of Water or Ice

There is no coverage for loss "arising out of" freezing, thawing, or the pressure or weight of water or ice, even if driven by wind, to:

- A. Fences, pavement, patios, retaining walls, swimming pools;
- B. Foundations, footings, bulkheads, walls or any other structure or device that supports all or part of a building or other structure;
- C. Septic systems, bulkheads, piers, wharves, docks or hoists;
- D. "Farm/ranch" personal property not inside a building; or
- E. "Business" personal property not inside a building.

If loss or damage not precluded by any other provision in this policy results, we will pay for that resulting loss or damage.

Theft

There is no coverage for:

- A. Theft committed by any "insured" or by any other "person" regularly residing on any "insured

premises;"

- B. Theft from that part of any "insured premises" rented to others or held for rental by an "insured" to other than an "insured". This does not apply to theft of property insured under the Farm/Ranch Personal Property Module;
- C. Theft in or to a dwelling under construction, until the dwelling is completed and occupied;
- D. Theft of any materials and supplies for use in the construction of a dwelling until the dwelling is completed and occupied; or
 - 1. Theft of household personal property that occurs off the "residence premises" while at any residence owned by, rented to, or occupied by any "insured," except while any "insured" is temporarily living there. Property of a student who is an "insured" is covered for theft while at the student's school residence away from home if the student has been at that residence at any time during the 45 days immediately before the loss; or
 - 2. Theft of watercraft, their furnishings, equipment and outboard engines or motors off the "residence premises". However, theft of other personal property left on the watercraft is not excluded. Loss of "farm/ranch" personal property or "business" personal property by losing, misplacing, mysterious disappearance, conversion, or where the only evidence of loss is a shortage disclosed upon taking inventory.
- E. If loss or damage not precluded by any other provision in this policy results, we will pay for that resulting loss or damage.

"Collapse"

There is no coverage for loss "arising out of" "collapse," except as provided under Extra Coverages - "Collapse" Coverage.

Vandalism and Malicious Mischief

There is no coverage for any loss to a dwelling or its contents "arising out of" vandalism or malicious mischief or any damage "caused by" any intentional or wrongful act committed in the course of vandalism or malicious mischief, if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant".

If loss or damage not precluded by any other provision in this policy results, we will pay for that resulting loss or damage.

Glass Breakage

There is no coverage for loss to glass in property insured under the Garages, Outbuildings and Other Structures Module, unless "caused by" Named Causes of Loss 1 through 9.

Interior Weather Damage

There is no coverage for loss to the interior or the contents of garages or outbuildings insured under the Garages, Outbuildings and Other Structures Module "arising out of" rain, snow, sand or dust, even if driven by wind, unless:

- A. The garage or outbuilding first sustains damage to roof or walls by the direct action of wind or hail and the rain, snow, sand or dust enters through the damaged area; or
- B. The loss "caused by" rain, snow, sand or dust resulting from fire, lightning, aircraft, vehicles, explosion, falling objects, riot or civil commotion, vandalism or malicious mischief.

Breakage of Household Personal Property

- A. There is no coverage for breakage of:
 - 1. Eyeglasses, glassware, statuary, marble; or
 - 2. Bric-a-brac, porcelains and similar fragile articles other than jewelry, watches, bronzes, cameras and photographic lenses.
- B. There is coverage if the breakage of household personal property is "caused by" or results from:
 - 1. Fire, lightning, windstorm, hail;
 - 2. Smoke, other than smoke from agricultural smudging or industrial operations;
 - 3. Explosion, riot, civil commotion;
 - 4. Aircraft, vehicles, vandalism and malicious mischief, earthquake or volcanic eruption;
 - 5. "Collapse" of a building or any part of a building;
 - 6. Water not otherwise excluded;

7. Theft or attempted theft; or
8. Sudden and accidental tearing apart, cracking, burning or bulging of a steam or water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

Dampness of Atmosphere or Extremes of Temperature

There is no coverage for loss to household personal property, "farm/ranch" personal property, or "business" personal property "arising out of" dampness of atmosphere or extremes of temperature.

We do cover such loss if rain, snow, sleet or hail is the direct cause of loss, but not to standing crops or crops in the open.

The exclusion for Extremes of Temperature does not apply to losses "caused by" fire.

Refinishing, Renovating, Repairing

There is no coverage for loss to household personal property "arising out of" refinishing, renovating or repairing household personal property.

Watercraft

There is no coverage for loss "arising out of" collision, sinking, swamping or stranding of watercraft, including trailers, their furnishings, equipment and outboard engines or motors.

We do cover such property, subject to policy limitations, for collision with a land vehicle.

Explosion of Steam Equipment

There is no coverage for loss to "farm/ranch" personal property, "business" personal property or to buildings other than dwellings "arising out of" explosion of steam boilers, steam pipes, steam turbines, steam engines or hot water boilers owned, rented, or leased by you.

We do cover resulting direct loss by fire or explosion of accumulated gases or unconsumed fuel within the firebox or combustion chamber.

Electrical Current

There is no coverage for loss "arising out of" artificially generated electric current, including electric arcing, that damages electrical devices, appliances or wires.

We do cover such loss, if the damage occurs suddenly and accidentally, to property other than "business" personal property, insured under the:

- A. Dwelling Module;
- B. Mobile Home Module;
- C. Household Personal Property Module; or
- D. Condo-Owners Property Module.

We will pay no more than \$1,000 per "occurrence" for loss to electronic devices, including but not limited to, video, audio, communications or alarm equipment or systems.

If artificially generated electric current causes a fire, we will pay for damage to covered property caused directly by that fire.

Economic Difficulties

There is no coverage for loss to household personal property, "farm/ranch" personal property or "business" personal property "arising out of" any labor disturbance, including strike or lockout; or insolvency of any warehouse, dealer or repair service.

Market Losses

There is no coverage for loss to household personal property, "farm/ranch" personal property or "business" personal property "arising out of" delay, loss of use or loss of market.

Glossary

The language in this section includes certain words or phrases that are given exact meanings to make clear what we mean when we use them. Each word or phrase surrounded by quotation marks is defined in this glossary, in the General Section or in a module under the heading "Additional Definitions".

"Aircraft"

See General Section.

"Arising Out Of"

See General Section.

"Business"

Trade, profession or occupation.

"Caused By"

See General Section.

"Collapse"

The sudden and entire falling down or caving in of a building or part of a building with the result that the building or part of the building cannot be used for its intended purpose.

The following are not considered in a state of "collapse:"

- A. A building or any part of a building in danger of falling down or caving in;
- B. A part of a building that is standing, even if it has separated from another part of the building; and
- C. A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

"Collection"

Any group of two or more objects, of the same type or category, having special value because of their demand by collectors, particularly because of rarity, limited edition production, sentiment, hobby interests or speculation, and not specifically for utility.

"Custom Farming/Ranching"

Any farming/ranching operation performed by you for others for a charge under any contract or agreement, written or oral.

"Custom Feeding"

The feeding of "Farm/Ranch" animals of others for a charge on an "insured location".

"Exchange Help"

Any "person" working for you under your direction to whom you are not obligated to pay any wages, but such work is compensated for in an exchange of labor agreement.

"Farming/Ranching" or "Farm/Ranch"

The process of investment, management or labor to produce agricultural products.

"Farming/Ranching" or "farm/ranch" does not include "custom farming" or "custom feeding".

"Farming/Ranching" or "farm/ranch" does not include other retail activities.

"Farm/Ranch Employee"

An employee of yours whose duties are principally in connection with your "farming/ranching" operations. This does not include a "residence employee," "exchange help" or an employee while engaged in "business" other than "farming/ranching".

"Farm/Ranch Implements and Machinery"

Machinery and vehicles operating on wheels or tracks which are usual or incidental to the operation of a "farm/ranch" and are designed principally for use off public roads.

"Farm/ranch implements and machinery" does not include:

- A. Automobiles;
- B. Trucks;
- C. Motorcycles;
- D. "Recreational motor vehicles"; or
- E. Any machinery or vehicles while being used in preparation or practice for or being operated in any prearranged contest or race.

"Fungi"

Any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by "fungi".

"Hovercraft"

See General Section Definitions.

"Insured"

- A. You;
- B. Residents of your household who are your relatives;
- C. Any other "person" under the age of 21 in the care of you or your relatives living in your household; and
- D. Any additional insureds named in the Declarations, as their interests appear.
- E. A full-time student who was a resident of the household prior to moving out to attend school, and who has not set up a separate full-time residence may, at your option, be considered an insured until age:
 - 1. 24 if your relative; or
 - 2. 21 if in your care or in the care of a relative who is a resident of your "household".

At age 24, the student needs his or her own separate policy or needs to be added as a named insured on this policy in order to have coverage.

"Insured Premises"

- A. Your "residence premises";
- B. Any other premises on which a dwelling owned by you and indicated in the Declarations is located, including the grounds and private approaches; and
- C. Any "farm/ranch premises" shown in the Declarations.

"Livestock"

Cattle, including bison, buffalo and beefalo; swine; sheep and goats; alpacas and llamas; horses, mules and donkeys, but not race horses, show horses or show ponies.

"Motor Vehicle"

- A. A motorized land or amphibious vehicle; or
- B. A trailer or semi-trailer (including any attached machinery or apparatus) designed for use primarily on public roads or subject to motor vehicle registration while being towed by or hitched for towing by a motorized land or amphibious vehicle.

"Motor vehicle" does not include "farm/ranch implements and machinery" or watercraft.

"Person"

See General Section

"Pollutant"

Any solid, liquid, gaseous, radioactive or thermal contaminant, irritant or odor, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, oil, oil products and waste. Waste includes materials to be disposed of, reconditioned, recycled or reclaimed.

"Poultry"

Domesticated birds, except ostriches, rheas, or emus, kept for eggs or meat.

"Recreational Motor Vehicle"

A golf cart, snowmobile, two or three wheel motorcycle, motorscooters, moped, dirt bike, or all terrain vehicle of a utility or recreational nature.

"Residence Employee"

An employee of the "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services, or one who performs similar duties elsewhere not related to the "business" of an "insured".

"Rental Premises"

If indicated in the Declarations and you own it:

- A. A 1 to 4 family dwelling/townhouse or mobile home rented or held for rental to others, including the grounds and private approaches; or
- B. Only that part or unit of any condominium/cooperative rented or held for rental to others.

"Residence Premises"

If indicated in the Declarations and:

- A. You own it, a 1 to 4 family dwelling/townhouse or mobile home where you reside including the grounds and private approaches;
- B. You rent it, a 1 family dwelling or mobile home where you reside including the grounds and private approaches;
- C. You own it, only that part or unit of any condominium/cooperative in which you reside; or
- D. You rent it, only that part or unit of any other building (including multi-family dwellings, apartments buildings) in which you reside.

"Smothering"

Death "caused by" being deprived of oxygen due to a physical blockage of breathing passages or physical interference with breathing.

"Suffocation"

Death resulting from inadequate oxygen in the air or due to the presence in the air of noxious gas.

"Vacancy" or "Vacant"

Containing nothing of significant value. A building under initial construction shall not be considered "vacant".

Limited Farm/Ranch Pollution Liability Coverage

This Endorsement Changes The Policy. Please Read It Carefully.

If indicated in the Declarations, this endorsement modifies insurance provided under the following module:

Farm/Ranch and Personal Liability Module

We provide limited pollution coverage as described below, subject to all the provisions of the General Section, Liability Section, Farm/Ranch and Personal Liability Module and this endorsement, only for those coverages for which a limit is indicated in the Declarations.

Section I - Non-Auto Transportation and Storage Coverage Coverage

A. Non-Auto Transportation

1. We cover "damages" resulting from "bodily injury" or "property damage" "caused by" a "non-auto transportation incident". This coverage applies only if the "non-auto transportation incident" first commences during the policy period.
2. We do not cover "damages" "arising out of" the release of "pollutants":
 - a. From any "aircraft";
 - b. Used in the course of "custom application";
 - c. Transported in any licensed "motor vehicle" by an "insured" or an "insured's" employee;
 - d. Not governmentally approved for current use;
 - e. In violation of any manufacturer's label requirements; or
 - f. In violation of any statute, ordinance, regulation, administrative order, consent decree or license requirement.

B. Storage Liability

1. We cover "damages" resulting from "bodily injury" or "property damage" "caused by" a "storage liability incident". This coverage applies only if the "storage liability incident" first commences during the policy period.
2. We do not cover "damages" "arising out of" the release of "pollutants" stored in violation of any statute, ordinance, regulation, administrative order, consent decree or license requirement.

Reporting Period

Coverage is provided for a "non-auto transportation incident" or "storage liability incident", only if you report the incident to us within 180 days of the discharge, dispersal, seepage, migration, release or escape of "pollutants".

Limit of Insurance

Subject to the aggregate limit described below and the Total Limited Farm/Ranch Pollution Liability Aggregate described in the Additional Provisions section of this endorsement, the Incident Limit shown in Section I – Non-Auto Transportation and Storage Coverage in the Declarations is the most we will pay for "damages" "arising out of" a "non-auto transportation incident" or "storage liability incident", regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

Subject to the Incident Limit, "damages" "arising out of" a "non-auto transportation incident" or "storage liability incident" consisting of or emanating from "animal waste" are limited to the Animal Waste Sublimit shown in Section I – Non-Auto Transportation and Storage Coverage in the Declarations.

All interrelated incidents or series of interrelated incidents are considered a single incident, for purposes of determining the Limit of Insurance.

The Aggregate Limit shown in Section I – Non-Auto Transportation and Storage Coverage in the

Declarations is the most we will pay for "damages" for all "non-auto transportation incidents" or "storage liability incidents" within one 12-month policy period regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

The aggregate limit applies separately to each consecutive policy period and to any remaining period of less than 12 months starting with the beginning of the policy period indicated in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period is considered part of the last preceding period for determining the aggregate limit of insurance.

With respect to Section I – Non-Auto Transportation and Storage Coverage, "damages" includes "pollution clean up costs" related to a "non-auto transportation incident" or "storage liability incident", but only if a separate Limit of Insurance is not indicated in Section V – Pollution Clean Up Coverage in the Declarations.

Deductible

Our obligation to pay "damages" "arising out of" a "non-auto transportation incident" or "storage liability incident" applies only to the amount of "damages" in excess of the deductible shown in Section I – Non-Auto Transportation and Storage Coverage in the Declarations. The Limit of Insurance shall not be reduced by the deductible amount.

We may pay any or all of the deductible to effect settlement of any claim or "suit". Upon notification of this action, you shall promptly reimburse us for such part of the deductible paid by us.

Section II – Chemical Application Coverage

We cover "damages" resulting from "bodily injury" or "property damage" "caused by" a "chemical application incident". This coverage applies only if the "chemical application incident" first commences during the policy period.

We do not cover "damages" "arising out of" the release of "farm/ranch chemicals":

- A. From any "aircraft";
- B. Used in the course of "custom application";
- C. Transported in any "motor vehicle" by an "insured" or an "insured's" employee;
- D. To any crops or "farm/ranch" products the "insured", or someone on behalf of the "insured", grows, handles, processes, stores, sells, distributes, transports, or uses, anywhere, at any time, under any circumstances;
- E. Not governmentally approved for current use;
- F. In violation of any manufacturer's label requirements; or
- G. In violation of any statute, ordinance, regulation, administrative order, consent decree or license requirement.

Reporting Period

Coverage is provided for a "chemical application incident" only if you report the incident to us within 180 days of the discharge, dispersal, seepage, migration, release or escape of "farm/ranch chemicals".

Limit of Insurance

Subject to the aggregate limit described below and the Total Limited Farm/Ranch Pollution Liability Aggregate described in the Additional Provisions section of this endorsement, the Incident Limit shown in Section II – Chemical Application Coverage in the Declarations is the most we will pay for "damages" "arising out of" a "chemical application incident", regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

All interrelated incidents or series of interrelated incidents are considered a single incident, for purposes of

determining the Limit of Insurance.

The Aggregate Limit shown in Section II – Chemical Application Coverage in the Declarations is the most we will pay for “damages” for all “chemical application incidents”, within one 12-month policy period regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

The aggregate limit applies separately to each consecutive policy period and to any remaining period of less than 12 months starting with the beginning of the policy period indicated in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period is considered part of the last preceding period for determining the aggregate limit of insurance.

With respect to Section II – Chemical Application Coverage, “damages” includes “pollution clean up costs” related to a “chemical application incident”, but only if a separate Limit of Insurance is not indicated in Section V – Pollution Cleanup Coverage in the Declarations.

Deductible

Our obligation to pay “damages” “arising out of” a “chemical application incident” applies only to the amount of “damages” in excess of the deductible shown in Section II – Chemical Application Coverage in the Declarations. The Limit of Insurance shall not be reduced by the deductible amount.

We may pay any or all of the deductible to effect settlement of any claim or “suit”. Upon notification of this action, you shall promptly reimburse us for such part of the deductible paid by us.

Section III – Custom Application Coverage Coverage

We cover “damages” resulting from “bodily injury” or “property damage” “caused by” a “custom application incident”. This coverage applies only if the “custom application incident” first commences during the policy period.

We do not cover “damages” “arising out of” "custom application":

- A. From any "aircraft";
- B. To any crops you, or someone on your behalf, grows, handles, processes, stores, sells, distributes, transports, or uses, anywhere , at any time, under any circumstances;
- C. Not applied by the "insured" in a timely manner;
- D. Applied on behalf of the "insured" by a subcontractor;
- E. Applied as part of an exchange help program;
- F. Consisting of "animal waste";
- G. That fail to produce expected crop yields;
- H. That fail to control the condition for which it was applied;
- I. Not governmentally approved for current use;
- J. In violation of any manufacturer's label requirements; or
- K. In violation of any statute, ordinance, regulation, administrative order, consent decree or license requirement.

Reporting Period

Coverage is provided for a “custom application incident” only if you report the incident to us within 180 days of when the “farm/ranch chemicals” were applied.

Limit of Insurance

Subject to the aggregate limit described below and the Total Limited Farm/Ranch Pollution Liability Aggregate described in the Additional Provisions section of this endorsement, the Incident Limit shown in Section III – Custom Application Coverage in the Declarations is the most we will pay for “damages”

"arising out of" a "custom application incident", regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

All interrelated incidents or series of interrelated incidents are considered a single incident, for purposes of determining the Limit of Insurance.

The Aggregate Limit shown in Section III – Custom Application Coverage in the Declarations is the most we will pay for "damages" for all "custom application incidents", within one 12-month policy period regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

The aggregate limit applies separately to each consecutive policy period and to any remaining period of less than 12 months starting with the beginning of the policy period indicated in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period is considered part of the last preceding period for determining the aggregate limit of insurance.

With respect to Section III – Custom Application Coverage, "damages" includes "pollution clean up costs" related to a "custom application incident", but only if a separate Limit of Insurance is not indicated in Section V – Pollution Cleanup Coverage in the Declarations.

Deductible

Our obligation to pay "damages" "arising out of" a "custom application incident" applies only to the amount of "damages" in excess of the deductible shown in Section III – Custom Application Coverage in the Declarations. The Limit of Insurance shall not be reduced by the deductible amount.

We may pay any or all of the deductible to effect settlement of any claim or "suit". Upon notification of this action, you shall promptly reimburse us for such part of the deductible paid by us.

Premium Basis

The premium for Section III – Custom Application Coverage is based on the number of acres on which herbicides, pesticides and fertilizers are applied.

After the expiration of each policy period and upon termination of the policy, the "insured", at our request, shall notify us of the number of acres on which herbicides, pesticides or fertilizers were applied for others during the policy period.

An additional or return premium may be calculated based on the number of acres on which herbicides, pesticides and fertilizers were applied for others. The "first named insured" agrees to pay any additional premium calculated. If the final premium calculated is less than the premium paid, we will return the difference to you.

Section IV – Animal Waste Coverage

We cover "damages" resulting from "bodily injury" or "property damage" "caused by" an "animal waste incident". The "animal waste incident" must result from:

- A. The application of "animal waste" by an "insured" or an "insured's" employee onto land as fertilizer for crop production;
- B. Being transported in an unlicensed "motor vehicle" or "farm/ranch implements and machinery";
- C. The rupture of any container, tank, lagoon, duct, piping or equipment used for storing or pumping "animal waste"; or
- D. Windstorm damage to any container, tank, lagoon, duct, piping or equipment used for storing or pumping "animal waste" at an "insured location".

This coverage applies only if the "animal waste incident" first commences during the policy period. We do not cover "damages" "arising out of" the release of "animal waste":

- A. Applied for a charge on any premises, site or location not owned by, leased to or rented to the "insured";
- B. Resulting in contamination of groundwater from continuous or repeated discharge, dispersal, seepage, migration, release, or escape of "animal waste", or repeated application of "animal waste"; or
- C. In violation of any statute, ordinance, regulation, administrative order, consent decree or license requirement.

Reporting Period

Coverage is provided for an "animal waste incident" only if you report the incident to us within 180 days of the discharge, dispersal, seepage, migration, release or escape of "animal waste".

Limit of Insurance

Subject to the aggregate limit described below and the Total Limited Farm/Ranch Pollution Liability Aggregate described in the Additional Provisions section of this endorsement, the Incident Limit shown in Section IV – Animal Waste Coverage in the Declarations is the most we will pay for "damages" "arising out of" an "animal waste incident", regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

All interrelated incidents or series of interrelated incidents are considered a single incident, for purposes of determining the Limit of Insurance.

The Aggregate Limit shown in Section IV – Animal Waste Coverage in the Declarations is the most we will pay for "damages" for all "animal waste incidents", within one 12-month policy period regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

The aggregate limit applies separately to each consecutive policy period and to any remaining period of less than 12 months starting with the beginning of the policy period indicated in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period is considered part of the last preceding period for determining the aggregate limit of insurance.

With respect to Section IV – Animal Waste Coverage, "damages" includes "pollution clean up costs" related to an "animal waste incident", but only if a separate Limit of Insurance is not indicated in Section V – Pollution Cleanup Coverage in the Declarations.

Deductible

Our obligation to pay "damages" "arising out of" an "animal waste incident" applies only to the amount of "damages" in excess of the deductible shown in Section IV – Animal Waste Coverage in the Declarations. The Limit of Insurance shall not be reduced by the deductible amount.

We may pay any or all of the deductible to effect settlement of any claim or "suit". Upon notification of this action, you shall promptly reimburse us for such part of the deductible paid by us.

Section V – Pollution Cleanup Coverage

We cover "pollution clean up costs" that the "insured" becomes legally obligated to pay because of "environmental damage" that results from a "pollution incident". Coverage applies under Section V – Pollution Cleanup Coverage only for those "pollution incidents" for which the corresponding "damages" are covered under:

- A. Section I - Non-Auto Transportation and Storage Coverage;
- B. Section II - Chemical Application Coverage;
- C. Section III - Custom Application Coverage; or
- D. Section IV - Animal Waste Coverage.

In addition to the items noted as not covered in Section I - Non-Auto Transportation and Storage Coverage, Section II - Chemical Application Coverage, Section III - Custom Application Coverage and Section IV - Animal Waste Coverage, we do not cover "pollution clean up costs" "arising out of" "environmental damage":

- A. Expected or intended from the standpoint of the "insured"; or
- B. Which results from or is directly or indirectly attributable to failure to comply with any applicable statute, ordinance, regulation, administrative order, consent decree, directive or order relating to the protection of the environment and promulgated by any governmental body. This restriction only applies to a willful or deliberate act or omission of the "insured".

Reporting Period

Coverage is provided for "pollution clean up costs" under Section V - Pollution Cleanup Coverage only if you report the "pollution incident" to us within 180 days of the discharge, dispersal, seepage, migration, release or escape of "pollutants".

Limit of Insurance

Subject to the aggregate limit described below and the Total Limited Farm/Ranch Pollution Liability Aggregate described in the Additional Provisions section of this endorsement, the Incident Limit shown in Section V – Pollution Cleanup Coverage in the Declarations is the most we will pay for "pollution clean up costs" "arising out of" a "pollution incident", regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

All interrelated incidents or series of interrelated incidents are considered a single incident, for purposes of determining the Limit of Insurance.

The Aggregate Limit shown in Section V – Pollution Cleanup Coverage in the Declarations is the most we will pay for "pollution clean up costs" for all "pollution incidents" within one 12-month policy period regardless of the number of:

- A. "Insureds";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

The aggregate limit applies separately to each consecutive policy period and to any remaining period of less than 12 months starting with the beginning of the policy period indicated in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period is considered part of the last preceding period for determining the aggregate limit of insurance.

Additional Provisions

Medical Payments To Others Coverage

We will pay "medical expenses" resulting from a "pollution incident" causing "bodily injury" that first commences during the policy period. The "bodily injury" must also occur during the policy period.

The Medical Payments To Others Coverage Limit in the Declarations is the most we will pay for all "medical expenses" because of "bodily injury" sustained by any one person.

This coverage applies only for those "pollution incidents" for which the corresponding "damages" are covered under:

- A. Section I - Non-Auto Transportation and Storage Coverage;
- B. Section II - Chemical Application Coverage;
- C. Section III - Custom Application Coverage; or
- D. Section IV - Animal Waste Coverage.

Payment under this coverage is made whether or not you are legally liable and is not an admission of legal liability by you or us.

We will pay only expenses determined to be medically necessary and incurred within three years from the date of the incident.

This coverage does not apply if coverage is provided elsewhere in your Farm Bureau Member's Choice policy.

Total Limited Farm/Ranch Pollution Liability Aggregate

The Total Limited Farm/Ranch Pollution Liability Aggregate Limit shown in the Declarations is the most we will pay for "damages", "medical expenses" and "pollution clean up costs" for all "pollution incidents" within one 12-month policy period regardless of the number of:

- A. "Insured's";
- B. Claims made or "suits" brought; or
- C. "Persons" or organizations making claims or bringing "suits".

Defense Obligations

If a "suit" for covered "damages" is brought against an "insured", we will provide a defense at our expense. We have the right to investigate, decide if and how to settle, and choose the attorneys. When we have paid "damages" equal to the limit of liability coverage for a "pollution incident", we have no further duty to defend any "insured" for that "pollution incident".

We have no duty to defend any "suit" to which this insurance does not apply.

Non-Duplication of Coverages

If coverage is afforded under more than one section in this endorsement for the same loss, only one coverage will apply to the loss. You may select the coverage that is most beneficial to you, but you cannot recover more than once for the same loss. This Non-Duplication of Coverages provision only applies to:

- A. Section I - Non-Auto Transportation and Storage Coverage;
- B. Section II - Chemical Application Coverage;
- C. Section III - Custom Application Coverage; and
- D. Section IV - Animal Waste Coverage.

Extra Coverage

Pollution Emergency Response Costs

We will pay for "emergency response costs" "caused by" a "pollution incident" for which you have coverage under Section I – Non-Auto Transportation and Storage Coverage, Section II – Chemical Application Coverage, Section III – Custom Application Coverage or Section IV – Animal Waste Coverage, even if the "pollution incident" results in no "damages".

The most we will pay for all "emergency response costs" within one 12-month policy period is the limit indicated in the Declarations. The amounts paid under Pollution Emergency Response Costs are in addition to the amounts paid as "damages" and are not subject to the Total Limited Farm/Ranch Pollution Liability Aggregate Limit.

Additional Exclusion

The additional exclusion below applies to all sections of this endorsement.

Assumption of Liability

We do not cover "damages" or "pollution clean up costs" for which the "insured" is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" or "pollution clean up costs" the insured would have in the absence of the contract or agreement.

Additional Definitions

"Animal Waste"

Materials composed of excreta, with or without bedding materials or animal medications, collected from poultry, "livestock" or other animals.

"Animal Waste Incident"

The discharge, dispersal, seepage, migration, release, or escape of "animal waste".

"Chemical Application Incident"

The accidental discharge, dispersal, seepage, migration, release, or escape of "farm/ranch chemicals" during a lawful and proper application by an "insured" or an "insured's" employee on to premises used for "farm/ranch" operations.

"Custom Application"

The lawful and proper application of "farm/ranch chemicals" by an "insured" or an "insured's" employee for a charge on to crops or crop land on any premises, site or location not owned by, leased to or rented to the "insured".

"Custom Application Incident"

- A. The discharge, dispersal, seepage, migration, release, or escape of "farm/ranch chemicals" during "custom application".
- B. The accidental discharge, dispersal, seepage, migration, release, or escape of "farm/ranch chemicals" while being transported in an unlicensed "motor vehicle" or "farm/ranch implements and machinery" for the use in "custom application".

"Emergency Response Costs"

The costs incurred by or on behalf of an "insured", including wages and allocated costs for use of an "insured's" own employees and equipment, in taking emergency measures to contain a "pollution incident" and prevent it from imminently causing further "environmental damage".

"Environmental Damage"

The presence of "pollutants" in or upon land, the atmosphere, or any watercourse or body of water.

"Farm/Ranch Chemicals"

- A. Herbicides, pesticides, insecticides, fertilizers, poisons and similar chemicals, all which must be governmentally approved, used to increase the yield of crops or "farm/ranch" products, to kill, repel or control pests, rodents, insects, or to kill or control weeds.
- B. Petroleum based products used to operate "farm/ranch implements and machinery".

"Farm/ranch chemicals" does not include "animal waste" or animal by-products to be used in "farm/ranch" operations or to be disposed of, reconditioned, recycled or reclaimed.

"Non-Auto Transportation Incident"

The accidental discharge, dispersal, seepage, migration, release, or escape of "pollutants":

- A. While being transported in an unlicensed "motor vehicle" or "farm/ranch implements and machinery";
or
- B. From the upset or overturn of an unlicensed "motor vehicle" or "farm/ranch implements and machinery".

"Pollution Clean Up Costs"

The cost or expense to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects, of "pollutants". "Pollution clean up costs" does not include punitive fines, fees, or penalties of any kind imposed by any governmental authority, administrative hearing or court of law.

"Pollution Incident"

A "non-auto transportation incident", "storage liability incident", "chemical application incident", "custom application incident" or "animal waste incident".

"Storage Liability Incident"

The accidental discharge, dispersal, seepage, migration, release, or escape of "pollutants" that are stored on an "insured location".

Notice - Disclosure Of Terrorism Coverage And Premium

The Terrorism Risk Insurance Act established a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals to coerce the government or population of the United States, among other requirements.

In accordance with the Terrorism Risk Insurance Act and the Terrorism Risk Insurance Program Reauthorization Act of 2015, we are required to offer you coverage for losses resulting from an act of terrorism that is **certified under the federal program**. Effective November 26, 2002, any policy provision that excludes coverage for acts of terrorism is void to the extent that it excludes "insured losses" as defined in the Terrorism Risk Insurance Act. The policy's other provisions will still apply to such an act.

Currently we will provide this coverage and waive any additional premium charge. In the future, we will notify you of any premium charge that may apply.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, may pay a share of terrorism losses insured under a formula established by the Terrorism Risk Insurance Act, as amended. Under the formula, the United States Government generally reimburses the following percentages of the portion of the covered terrorism losses that exceed the statutorily established deductible paid by the insurer: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020. However, if the aggregate losses from certified terrorist acts exceed \$100 billion in a Program Year (January 1 through December 31), the Department of the Treasury will not make payments for amounts over the \$100 billion. If we have met our insurer deductible under the Terrorism Risk Insurance Act, we will not be liable for the amounts over \$100 billion. Those amounts will be subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY