

# FARM • GUARD®

| FARM AND PERSONAL LIABILITY POLICY |

# FARM-GUARD® POLICY

## FARM AND PERSONAL LIABILITY PROTECTION

### POLICY INDEX

This policy is a legal contract between “you” and “us”. It consists of:

1. “Your” policy Declarations;
2. The policy Provisions; and
3. Any Special Provisions, Endorsements, and Schedules “we” issue with “your” policy.

	<u>Beginning On Page</u>		<u>Beginning On Page</u>
<b>FORM CONCURRENCY PROVISION</b> .....	1	<b>RIGHTS AND DUTIES – CONDITIONS</b>	
<b>AGREEMENT</b> .....	1	1. Limits Of Liability .....	13
<b>DEFINITIONS</b> .....	1	2. Your Duties After A Loss .....	13
<b>PRINCIPAL COVERAGES</b>		3. Duties Of An Injured Person Under Coverage B – Medical Payments To Public Or Coverage D – Medical Payments To Farm Employees .....	14
Coverage A – Liability To Public .....	4	4. Suit Against Us .....	14
Coverage B – Medical Payments To Public.....	5	5. Bankruptcy.....	14
Coverage C – Liability To Farm Employees .....	5	6. Other Insurance – All Coverages .....	14
Coverage D – Medical Payments To Farm Employees.....	5	7. Concealment Or Misrepresentation .....	14
<b>ADDITIONAL COVERAGES</b>		<b>GENERAL POLICY CONDITIONS</b>	
1. Damage To Property Of Others .....	6	1. Liberalization Clause .....	14
2. Fungi .....	6	2. Waiver Or Change Of Policy Provisions.....	14
3. Pollution .....	6	3. Cancellation .....	15
4. Claim And Legal Expenses .....	7	4. Nonrenewal .....	15
5. Loss Assessment.....	7	5. Our Rights To Recover Payment .....	15
<b>EXCLUSIONS</b>		6. Transfer Of Your Rights And Duties Under This Policy .....	15
A. Under Any Of The Coverages .....	8	7. Conformity To Statutes.....	16
B. Additional Exclusions Under Coverage A – Liability To Public .....	12	8. Policy Period.....	16
C. Additional Exclusions Under Coverage B – Medical Payments To Public .....	12	9. Time Of Interpretation.....	16
D. Additional Exclusions Under Coverage D – Medical Payments To Farm Employees.....	12	10. Automatic Termination.....	16
E. Additional Exclusions Under Additional Coverages 1. Damage To Property Of Others .....	13	11. Representations .....	16

*Includes copyright material of Insurance Services Office, Inc. with its permission*

# FARM-GUARD<sup>®</sup> POLICY

## FARM AND PERSONAL LIABILITY PROTECTION

### FORM CONCURRENCY PROVISION

If “your” policy consists of two separate coverage parts, one insuring “your” property exposures and the other insuring “your” liability exposures, any liability provisions contained in the general policy provisions of the property coverage part are void. The liability coverage is described only in this form, including any attached endorsements and the Declarations.

### AGREEMENT

“We” agree with “you”, in return for “your” premium payment, to provide insurance subject to all the terms of this policy. The coverages provided, the limits of “our” liability, and the premiums are shown in the Declarations and are further explained by the terms of this policy.

### DEFINITIONS

The terms defined in this policy and any endorsements appear in quotation marks (“ ”) or in **bold** type. The term “insured person”, when used in any endorsement to this policy, has the same meaning as the term “insured” defined below.

**1.** “You” and “your” mean:

- a.** The Named Insured shown in the Declarations and, if the Named Insured is an individual, the spouse if living in the same household;
- b.** Any Additional Named Insured shown in the Declarations and, if the Additional Named Insured is an individual, the spouse if living in the same household;

With respect to **a.** and **b.** above, “you” and “your” also means any of the following when specifically shown in the Declarations:

- 1)** A partnership or joint venture. “Your” members or partners and their spouses are also “insureds”, but only with respect to the conduct of “your” “farming” operations;
- 2)** A limited liability company. “Your” members are also “insureds”, but only with respect to the conduct of “your” “farming” operations. “Your” managers are “insureds”, but only with respect to their duties as “your” managers;

- 3)** An organization other than a partnership, joint venture, or limited liability company. “Your” executive officers and directors are “insureds”, but only with respect to their duties as “your” officers or directors. “Your” stockholders are also “insureds”, but only with respect to their liability as stockholders; or

- 4)** An estate or trust.

- c.** “Your” legal representative if “you” die or are incapacitated, but only with respect to his or her function as a legal representative in controlling or managing “your” property. “Your” legal representative has all “your” rights and duties under this coverage;

- d.** A person having custody of “your” property after “your” death or after “you” have become incapacitated, but only if:

- 1)** Liability arises out of the maintenance or use of the property; and

- 2)** The person is authorized by law, “your” heirs, or “your” legal representative to have custody of the property;

- 2.** “We”, “us”, and “our” mean the Company providing this liability insurance.

- 3.** “Aircraft Liability”, “Hovercraft Liability”, “Motor Vehicle Liability”, “Recreational Vehicle Liability”, and “Watercraft Liability”, subject to the provisions in **b.** below, mean the following:

- a.** Liability for “bodily injury” or “property damage” arising out of the:

- 1)** Ownership of such vehicle or craft by any “insured”;

- 2)** Maintenance, occupancy, operation, use, loading, or unloading of such vehicle or craft by any person;

- 3)** Entrustment of such vehicle or craft by any “insured” to any person;

- 4)** Failure to train or supervise or negligent training or supervision of any person involving such vehicle or craft by any “insured”; or

- 5)** Vicarious liability, whether or not imposed by law, for the actions of a minor involving such vehicle or craft.

- b. For the purpose of this definition:
- 1) Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
  - 2) Hovercraft means a motorized ground effect vehicle propelled or lifted by air and includes, but is not limited to, flarecraft and air cushion vehicles;
  - 3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power, or electric motor;
  - 4) Motor vehicle means a "motor vehicle", as defined in **16.** below; and
  - 5) Recreational vehicle means a "recreational vehicle", as defined in **21.** below.
4. "Bodily injury" means bodily harm, sickness, or disease and includes resulting death.
- "Bodily injury" also includes mental or physical anguish, pain, or suffering, but only if accompanied by physical symptoms of harm to the body of the person. Infliction of emotional distress, loss of society, or loss of consortium suffered by a spouse, child, or parent is not a separate "bodily injury" under this policy and must be included in the claim of the person sustaining physical harm to the body.
5. "Business"
- a. "Business" means:
    - 1) Any full-time, part-time, or occasional trade, profession, occupation, or other activity performed for money or other compensation; or
    - 2) The rental or holding for rental of any premises by any "insured".
  - b. "Business" does not mean:
    - 1) "Farming";
    - 2) Occasional rental or holding for rental of the "residence premises" for use as a dwelling;
    - 3) Rental or holding for rental of part of the "residence premises" for use as a dwelling, unless the rental is to more than three individuals or one family unit;
    - 4) Activities conducted by any "insured" if the gross receipts from those activities do not exceed \$2,000 in the calendar year in which a loss occurs or the calendar year immediately preceding;
    - 5) Rental or holding for rental of part of the "residence premises" as a garage to be used for other than "business" purposes;
    - 6) Rental or holding for rental of a farm dwelling on an "insured premises", other than the "residence premises"; or
    - 7) Newspaper delivery, caddying, baby-sitting, lawn care, and similar incidental activities conducted by any "insured" under the age of 19.
6. "Custom farming" means activities connected with or arising out of the performance of agricultural operations for another person or organization:
- a. Pursuant to an oral or written agreement;
  - b. For compensation in money or goods;
  - c. On land that is not an "insured premises" or rented or leased to or under the control of any "insured"; and
  - d. If the gross receipts from those activities exceed \$2,000 in the calendar year in which a loss occurs or the calendar year immediately preceding.
7. "Custom feeding" means activities connected with or arising out of the provision of labor or services to another person or organization in connection with the care or raising of "livestock" or "poultry" not owned by any "insured":
- a. Pursuant to an oral or written agreement;
  - b. For compensation in money or goods; and
  - c. If the gross receipts from those activities exceed \$2,000 in the calendar year in which a loss occurs or the calendar year immediately preceding.
8. "Farming" means the ownership, maintenance, or use of any "insured premises" for production of crops or the raising or care of "livestock" or "poultry". "Farming" also includes operations of roadside stands maintained solely for the sale of any "insured's" raw or unprocessed farm products.
- "Farming" does not include:
- a. The butchering or packaging of deer, wild game, wild fowl, "livestock" or "poultry", or the processing of meat products for sale to other persons;
  - b. The altering of the characteristics of farm products through processing operations; or
  - c. "Custom farming" or "custom feeding".
9. "Farm employee" means a person, other than a "residence employee" or an independent contractor, who is performing labor in the course of any "insured's" "farming" operations. It does not mean an employee while engaged in the "business" of any "insured".

**10. "Farm implement" means:**

- a.** A vehicle:
  - 1)** Designed or modified primarily for agricultural operations;
  - 2)** Designed primarily for use off the public roads; and
  - 3)** Which is exempt from "motor vehicle" or trailer registration under applicable state laws or regulations;
- b.** An all material transport vehicle (AMT) meeting the requirements of **a. 1), 2), and 3)** above, and which has a rear utility box to transport material, four or more wheels, a steering wheel, and bench or bucket seating; or
- c.** A "recreational vehicle" when being used in a "farming" activity at the time of the "occurrence".

A "farm implement" does not include a motorcycle, moped, gas scooter, or minibike, regardless of their use.

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

"Fungi" does not include mold and mildew or any mycotoxins, spores, scents, or by-products produced or released by "fungi", if included in or contained on any goods or products intended for human or animal consumption.

**12. "Insured" means "you". If "you" are an individual, "insured" also means:**

- a.** A person living with "you" and related to "you" by blood, marriage, or adoption;
- b.** A legal ward, foster child, or foreign exchange student living with "you";
- c.** A student who is an unmarried and financially dependent relative under the age of 25 if the student lived with "you" immediately before leaving to attend school and qualifies as a full-time student as defined by the school;
- d.** Any person or organization legally responsible for animals or watercraft owned by any "insured" in **a., b., or c.** above, but "we" will cover the person or organization only with respect to those animals or watercraft. "We" will not cover any person or organization using or having custody of animals or watercraft for their sole benefit, in the course of any "business", or without the oral or written permission of the owner; or

- e.** With respect to "your" farm tractors and trailers and self-propelled or animal-drawn implements, any person, while engaged in "your" "farming" operation.

Under any of the preceding paragraphs, "your" child is not an "insured" if a judicial decree places primary custody or care of the child in the control of another person and the child was not in the care of the "insured" and was not on the "insured premises" at the time of the "occurrence". This exception does not apply if the judicial decree requires "you" to provide liability insurance for the child.

**13. "Insured premises" means:**

- a.** The farm premises which "you" own, rent, lease, or control as part of "your" farming operation and other locations "you" maintain as a "residence premises". The "insured premises" does not include locations in "your" control for the purpose of performing "custom farming" operations;
- b.** Any other premises acquired by "you" in the policy period which "you" intend to use as a "residence premises";
- c.** Any part of premises which are not owned by an "insured" but where the "insured" may be temporarily residing or which an "insured" may occasionally rent for non-business purposes;
- d.** Vacant land, other than farmland, owned by or rented to an "insured";
- e.** Cemetery plots or burial vaults owned by an "insured";
- f.** Any structures or grounds used by "you" in connection with "your" "residence premises"; or
- g.** Land on which a one- to four-family residence is being built for "you", if the land is owned by or rented to "you".

**14. "Livestock" means cattle, buffalo, beefalo, elk, deer, llamas, sheep, swine, goats, horses, ostriches, emus, rheas, mules, donkeys, mink, rabbits, and chinchillas. "Livestock" also includes any animal specifically listed as "livestock" in "your" Declarations or scheduled on an endorsement that is attached to and forms part of this policy.**

**15. "Low power recreational vehicle" means a vehicle which is battery powered, designed for off-road use only, and marketed as a child's toy. A "low power recreational vehicle" does not include a motorized bicycle, moped, all-terrain vehicle, snowmobile, motorized golf cart, or motorcycle, regardless of its speed capability.**

16. "Motor vehicle" means:
- a. A motorized land vehicle designed for travel on public roads or subject to motor vehicle registration or a compulsory financial responsibility law or regulation issued by a government agency, except a "farm implement";
  - b. A trailer or semitrailer designed for travel on public roads or subject to vehicle registration, except while being towed by a self-propelled "farm implement"; or
  - c. Any vehicle, except a "farm implement", while being towed or carried on a vehicle included in a. or b. above.
17. "Occurrence" means an accident, as perceived from the viewpoint of a reasonable person, causing unexpected "bodily injury" or "property damage" during the policy period. Continuous or repeated exposure to substantially the same harmful conditions, whether producing single or multiple instances of "bodily injury" or "property damage", constitutes a single "occurrence".
18. "Pollutant" means any:
- a. Gasoline, diesel, kerosene, or other fuel for a motorized vehicle or heating appliance, including any post-combustion by-products;
  - b. Petroleum-based lubricant;
  - c. Anti-freeze;
  - d. Vehicle tires;
  - e. Paint;
  - f. Pesticide;
  - g. Herbicide;
  - h. Fertilizer;
  - i. Animal or human waste;
  - j. Ink;
  - k. Mercury; or
  - l. Other solid, liquid, gaseous, or thermal irritant or contaminant.
19. "Poultry" means ducks, geese, or chickens kept by any "insured" for sale or use. "Poultry" also includes any other fowl listed and shown in the Declarations.
20. "Property damage" means physical injury to or destruction of tangible property. "Property damage" does not include loss of use unless the property has been physically injured or destroyed.
21. "Recreational vehicle" means:
- a. A motorized land vehicle, a trailer, or attached equipment that is designed or used for non-agricultural or leisure time activities off public roads;
  - b. A snowmobile when not being used in an agricultural operation;
  - c. An all-terrain vehicle (ATV) when not being used in an agricultural operation;
  - d. A motorized golf cart; or
  - e. A motorcycle, moped, gas scooter, or minibike.
- "Recreational vehicle" does not mean a "low power recreational vehicle".
22. "Residence employee" means an employee of an "insured" whose duties are in connection with the maintenance or use of the "residence premises", including household or domestic services, or who performs similar duties elsewhere not in connection with any "insured's" "business".
23. "Residence premises" means the one- to four-family dwelling where the first Named Insured or an Additional Named Insured lives, and which is shown in the Declarations, including the immediate grounds not used for "farming".

#### PRINCIPAL COVERAGES

Each Principal Coverage applies only if a limit of liability is shown in the Declarations.

#### COVERAGE A – LIABILITY TO PUBLIC

Subject to the limits shown in the Declarations for **COVERAGE A – LIABILITY TO PUBLIC** and the terms of this policy, "we" will pay compensatory damages for which any "insured" becomes legally liable as a result of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies.

If suit is filed against any "insured" for legal damages covered under this policy, "we" will provide a defense using lawyers "we" choose. "We" may investigate and settle any claim or suit as "we" deem appropriate.

**"WE" WILL NOT DEFEND OR INDEMNIFY ANY "INSURED" IF "OUR" LIMIT OF LIABILITY HAS BEEN EXHAUSTED THROUGH PAYMENT OF A JUDGMENT OR SETTLEMENT, TENDER OF THE REMAINDER OF THE POLICY LIMIT TO THE CLERK OF COURT IN AN INTERPLEADER SUIT OR BY ORDER OF COURT, OR ANY COMBINATION OF THE ABOVE. NO LEGAL DEFENSE OR INDEMNIFICATION WILL BE FURNISHED TO ANY "INSURED" IF COVERAGE FOR THE "BODILY INJURY" OR "PROPERTY DAMAGE" DOES NOT EXIST UNDER THIS POLICY.**

## COVERAGE B – MEDICAL PAYMENTS TO PUBLIC

Subject to the limits shown in the Declarations for **COVERAGE B – MEDICAL PAYMENTS TO PUBLIC** and the terms of this policy, “we” will pay the reasonable expenses incurred for necessary first aid, medical, surgical, hospital, licensed nursing, ambulance, x-ray, dental, and funeral services, prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. The “bodily injury” for which the expenses are to be paid must arise from an “occurrence” to which this coverage applies.

“We” reserve the exclusive right to determine the reasonableness and necessity of the expenses incurred. “We” will pay only those expenses incurred for services rendered within three years from the date of the “occurrence” causing “bodily injury” covered by this policy. Any action or investigation by “us” after the three year period does not waive the effect of the three year limitation.

Each person who sustains “bodily injury” is entitled to this protection when that person is:

1. On an “insured premises” with the permission of any “insured”; or
2. Elsewhere, if the “bodily injury”:
  - a. Arises out of a condition in the “insured premises”;
  - b. Is caused by the activities of:
    - 1) Any “insured”, or
    - 2) A “farm employee” or “residence employee” in the course of employment by any “insured”;
  - c. Is caused by an animal owned by or in the care of any “insured”; or
  - d. Is sustained by a “residence employee” arising out of and in the course of employment by any “insured”.

“We” may, at “our” option, pay the injured person or the party that renders the medical services. The rights of the injured person to receive payment from “us” may not be assigned to an insurance carrier, insurance plan, or self-insured organization. No payment to the injured person or other entity will be made by “us” if all of the expenses of the injured person have been paid by a separate insurance carrier, insurance plan, or self-insured organization.

If “we” make a payment under this **COVERAGE B – MEDICAL PAYMENTS TO PUBLIC** for services to or treatment of a minor, “we” may require any person prosecuting a claim on behalf of the minor to reimburse “us” the amounts paid if the minor or the minor’s estate recovers a settlement or judgment greater than the amount paid under this coverage.

Payment under this coverage is not an admission of liability by “us” or any “insured”.

## COVERAGE C – LIABILITY TO FARM EMPLOYEES

Subject to the limits shown in the Declarations for **COVERAGE C – LIABILITY TO FARM EMPLOYEES** and the terms of this policy, “we” will pay compensatory damages for which any “insured” becomes legally liable as a result of “bodily injury” sustained by a “farm employee” while engaged in the employment of any “insured” and caused by an “occurrence” to which this coverage applies.

If suit is filed against an “insured” for legal damages covered under this policy, “we” will provide a defense using lawyers “we” choose. “We” may investigate and settle any claim or suit as “we” deem appropriate.

**“WE” WILL NOT DEFEND OR INDEMNIFY ANY “INSURED” IF “OUR” LIMIT OF LIABILITY HAS BEEN EXHAUSTED THROUGH PAYMENT OF A JUDGMENT OR SETTLEMENT, TENDER OF THE REMAINDER OF THE POLICY LIMIT TO THE CLERK OF COURT IN AN INTERPLEADER SUIT OR BY ORDER OF COURT, OR ANY COMBINATION OF THE ABOVE. NO LEGAL DEFENSE OR INDEMNIFICATION WILL BE FURNISHED TO ANY “INSURED” IF COVERAGE FOR THE “BODILY INJURY” DOES NOT EXIST UNDER THIS POLICY.**

## COVERAGE D – MEDICAL PAYMENTS TO FARM EMPLOYEES

Subject to the limits shown for **COVERAGE D – MEDICAL PAYMENTS TO FARM EMPLOYEES** and the terms of this policy, “we” will pay the reasonable expenses incurred for necessary first aid, medical, surgical, hospital, licensed nursing, ambulance, x-ray, dental, and funeral services, prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. The “bodily injury” for which the expenses are to be paid must arise from an “occurrence” to which this coverage applies.

“We” reserve the exclusive right to determine the reasonableness and necessity of the expenses incurred. “We” will pay only those expenses incurred for services rendered within three years from the date of the “occurrence” causing “bodily injury” covered by this policy. Any action or investigation by “us” after the three year period does not waive the effect of the three year limitation.

Each “farm employee” who sustains “bodily injury” is entitled to this protection when that person is engaged in the employment of an “insured”. If death results, directly and independently of all other causes, from such injuries within three years from the date of the “occurrence”, “we” will pay the limits shown in the Declarations of this coverage less any amount previously paid.

"We" may, at "our" option, pay the "farm employee" or the party that renders the medical services. The rights of the "farm employee" to receive payment from "us" may not be assigned to an insurance carrier, insurance plan, or self-insured organization. No payment to the "farm employee" or other entity will be made by "us" if all of the expenses of the "farm employee" have been paid by a separate insurance carrier, insurance plan, or self-insured organization.

Payment under this coverage is not an admission of liability by "us" or any "insured".

## ADDITIONAL COVERAGES

Except as noted, these coverages are subject to all the terms of **COVERAGE A – LIABILITY TO PUBLIC** and, with the exception of **1. DAMAGE TO PROPERTY OF OTHERS** and **4. CLAIMS AND LEGAL EXPENSES**, do not increase the limit shown in the Declarations for **COVERAGE A – LIABILITY TO PUBLIC**.

### 1. DAMAGE TO PROPERTY OF OTHERS

Regardless of any "insured's" legal liability, "we" will pay, subject to the limits shown in the Declarations for **DAMAGE TO PROPERTY OF OTHERS** and the terms of this policy, all sums arising out of any "occurrence" for "property damage":

- a. To property owned by others in the care of any "insured"; or
- b. To property of others, except a "motor vehicle", in the care of any "insured" while in, on, transported, or towed by any "insured's" "motor vehicle".

"We" will, at "our" option, either pay the actual cash value of the damaged property or repair or replace the property with property of like kind and quality. Actual cash value is the cost to replace the property, less depreciation for the age and obsolescence of the property. If the damaged property is to be repaired or replaced, "we" will depreciate or reduce the charges for labor and materials.

Subject to the Annual Aggregate, payments made under this coverage are in addition to the limit shown in the Declarations for **COVERAGE A – LIABILITY TO PUBLIC**.

### 2. FUNGI

Subject to the terms of this policy, "we" will pay compensatory damages for which any "insured" becomes legally liable arising from the filing of a claim or suit alleging "bodily injury" or "property damage" due to exposure to "fungi" located on an "insured premises".

The maximum amount that "we" will pay for all losses from "fungi" exposure that results in "bodily injury" or "property damage" occurring in a 12-month period, beginning with the inception date of this policy or any anniversary of the inception date, is the lesser of \$50,000 or the limit shown in the Declarations for **COVERAGE A – LIABILITY TO PUBLIC**. This single maximum amount applies to all "bodily injury" or "property damage" covered by this policy, whether arising directly or indirectly or in whole or in part, from the actual, alleged, or threatened inhalation of, consumption of, physical contact with, exposure or proximity to, or presence of any "fungi", regardless of the number of "occurrences", claims, or locations insured under this policy.

"Our" legal defense and indemnification obligations to any "insured" are stated in **COVERAGE A – LIABILITY TO PUBLIC**.

### 3. POLLUTION

a. Subject to the terms of this policy, "we" will pay compensatory damages for legal liability arising from an administrative claim or lawsuit filed against any "insured" for "bodily injury" or "property damage" caused by any "pollutant". The "bodily injury" or "property damage" must arise from an "occurrence" to which this coverage applies. "We" will pay only if:

- 1) The "bodily injury" or "property damage" has been caused by the spreading of animal or human waste onto land for fertilization purposes by any "insured" including the transportation of the waste on public or private roads to or from the field for spreading by any "insured";
- 2) A spray drift of, handling of, or application of agricultural chemicals applied by any "insured" on any "insured premises" causes "bodily injury" or "property damage" to a third person, but "we" will not pay if the chemicals are released from an aircraft;
- 3) The "bodily injury" or "property damage" is caused by a hostile fire or heat, smoke, or fumes released by the burning of crop residues, excess vegetation, or trees by any "insured". A "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be;
- 4) A windstorm causes a "farm implement", building, bin, container, lagoon, tank, or tank wagon to rupture, producing an immediate release of a "pollutant"; or
- 5) A "farm implement", building, bin, container, lagoon, tank, or tank wagon ruptures as a result of an accidental collision, overturn, or breakage causing an immediate release, discharge, dispersal, or escape of a "pollutant";

b. With the exception of the circumstances outlined in paragraphs 1) through 5) above, "we" do not cover any claim, loss, or suit caused by any "pollutant". Further, "we" will not pay any claim, loss, or suit caused by any "pollutant":

- 1) Used, released, discharged, or dispersed by any "insured", if a reasonable person would know or understand that the use, release, discharge, or dispersal of any "pollutant" from, onto, or into land, water, air, or a building is contrary to law, statute, or ordinance or a violation of an administrative order or consent agreement; or
- 2) Which enters the groundwater table arising from continuous or repeated seepage or dispersal of any "pollutant" from a container, structure, or lagoon owned or controlled by any "insured" or from repeated application of animal or human waste or agricultural chemicals by any "insured".

c. The maximum amount that "we" will pay for any single "occurrence" with respect to coverage described in:

- 1) Paragraphs a.1), a.2), and a.3), above, is the limit of liability shown in the Declarations for **COVERAGE A – LIABILITY TO PUBLIC**. These coverages are subject to the annual aggregate.
- 2) Paragraphs a.4) and a.5), above, is:
  - a) \$300,000 for any single "occurrence" in which a "pollutant" is released or discharged for all "bodily injury" and "property damage";
  - b) \$600,000 for all "occurrences" in which a "pollutant" is released or discharged during any 12-month period beginning with the inception date of the policy or any anniversary of the inception date; or
  - c) The limit of liability shown in the Declarations for **COVERAGE A – LIABILITY TO PUBLIC**, whichever is less.

"Our" legal defense and indemnification obligations to any "insured" are stated in **COVERAGE A – LIABILITY TO PUBLIC**.

#### 4. CLAIM AND LEGAL EXPENSES

"We" will pay, in addition to "our" limit of liability, the following expenses:

- a. All costs "we" incur in the settlement of any claim or defense of any suit;
- b. Interest on damages awarded in any suit "we" defend occurring after judgment is entered and before "we" have paid, offered to pay, or deposited in court that portion of the judgment which is not more than "our" limit of liability;
- c. Prejudgment interest which is required by law and awarded for damages against "you" on that part of a judgment "we" pay. If "we" make an offer to pay the applicable limit of liability, "we" will not pay any prejudgment interest based on that period of time after an offer is made;
- d. Premiums on appeal bonds required in any suit "we" defend. But, "we" will not pay the premium for that portion of the amount of any appeal bond which is greater than the applicable limit of "our" liability;
- e. Loss of earnings to any "insured" up to \$250 per day, but not other income, when "we" ask an "insured" to help "us" investigate or defend any claim or suit; and
- f. Any other reasonable expenses incurred at "our" request, but not to include expenses incurred in a dispute with "us" over the application of this policy.

#### 5. LOSS ASSESSMENT

- a. "We" will pay up to \$1,000 for "your" share of loss assessment charged against "you", as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - 1) "Bodily injury" or "property damage" not excluded under any of the coverages of this policy; or
  - 2) Liability for an act of a director, officer, or trustee in the capacity as a director, officer, or trustee, provided such person:
    - a) Is elected by the members of a corporation or association of property owners; and
    - b) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

- b. Regardless of the number of assessments, the limit of \$1,000 is the most “we” will pay for loss arising out of:
  - 1) One “occurrence” including continuous or repeated exposure to substantially the same general harmful condition; or
  - 2) A covered act of a director, officer, or trustee. An act involving more than one director, officer, or trustee is considered to be a single act.
- c. “We” do not cover assessments charged against “you” or a corporation or association of property owners by any governmental body.

## EXCLUSIONS

### A. UNDER ANY OF THE COVERAGES

The following exclusions apply to all coverages afforded by this policy, unless the exclusion explicitly states that it does not apply to a particular type of coverage:

1. “We” do not cover “Aircraft Liability”.
2. “We” do not cover any “Motor Vehicle Liability” unless at the time of the “occurrence” the involved “motor vehicle” is:
  - a. In dead storage on the “insured premises”;
  - b. Used exclusively on the “insured premises”;
  - c. Exempt from required registration for use on public roads or property by law or regulation issued by a government agency;
  - d. Being used by a “farm employee” in the course of any “insured’s” “farming” operations and not owned by any “insured”; or
  - e. A watercraft, camper, home, or utility trailer that is not towed by, carried on, or attached to a vehicle.

This exclusion does not apply to “bodily injury” or “property damage” arising out of the use of a “farm implement” for loading or unloading of a “motor vehicle” in the course of the “insured’s” “farming” operations.

This exclusion does not apply to “bodily injury” sustained by a “farm employee” or “residence employee” in the course of employment if no other coverage is available to the “insured”.

3. “We” do not cover any “Watercraft Liability” unless at the time of the “occurrence” the involved watercraft is:
  - a. Located or stored on the “insured premises”;
  - b. A sailing vessel with overall length of 26 feet or less;
  - c. A sailing vessel more than 26 feet long, but not owned by or rented to any “insured”;
  - d. Powered by an inboard, inboard-outdrive motor, or outboard motor with 50 horsepower or less and is not a personal craft known as a jet ski, wet bike, or wave-runner; or
  - e. Powered by a motor with more than 50 horsepower, but is not:
    - 1) Owned by or under long-term lease by any “insured”; or
    - 2) A personal craft commonly known as a jet ski, wet bike, or wave-runner.

This exclusion does not apply to “bodily injury” sustained by a “farm employee” or “residence employee” in the course of employment if no other coverage is available to the “insured”.

4. “We” do not cover any “Recreational Vehicle Liability” unless at the time of the “occurrence” the involved “recreational vehicle” is:
  - a. Being operated on the “insured premises”;
  - b. A motorized golf cart while being used for golfing purposes or being driven by any “insured” directly between a golf course and the “insured premises”; or
  - c. Not owned, garaged, or maintained by any “insured”.

With respect to a motorcycle, moped, gas scooter, or minibike, “we” do not cover “bodily injury” or “property damage” that occurs away from the “insured premises”. This exclusion applies regardless of who owns and/or maintains the unit, or where it is garaged.

This exclusion does not apply to “bodily injury” sustained by a “farm employee” or “residence employee” in the course of employment if no other coverage is available to the “insured”.

5. “We” do not cover “Hovercraft Liability”.
 

This exclusion does not apply to “bodily injury” sustained by a “farm employee” or “residence employee” in the course of employment if no other coverage is available to the “insured”.

6. "We" do not cover "bodily injury" or "property damage" arising out of the rendering of, or failure to render, professional services or out of any occupation which is required to be licensed by a governmental body.
  7. "We" do not cover "bodily injury" or "property damage" arising out of "business" activities of any "insured". This exclusion applies to "bodily injury" and "property damage" sustained by any person on the "insured premises" if the person's presence or entry upon the "insured premises" relates to a "business" activity.
  8. "We" do not cover "bodily injury" or "property damage" arising out of any condition of any premises:
    - a. Owned by any "insured";
    - b. Rented or leased to any "insured";
    - c. Rented or leased to another person or entity by any "insured"; or
    - d. In the care, custody, or control of any "insured" which is not an "insured premises".
- However, "we" will cover "bodily injury" to a "farm employee" or "residence employee" arising out of and in the course of employment by any "insured".
9. "We" do not cover "bodily injury" or "property damage" arising out of:
    - a. "Custom farming"; or
    - b. "Custom feeding" operations of any "insured".
  10. "We" do not cover "bodily injury" or "property damage" arising out of the lease or rental of any equipment by any "insured" to a third person.
  11. "We" do not cover "property damage" to property intentionally sprayed by contract spraying of agricultural chemicals as a part of "custom farming" operations, regardless of the amount of receipts.
  12. "We" do not cover liability assumed under any contract or agreement, except:
    - a. That part of a contract or agreement pertaining to "your" "farming" operations under which "you" assume the tort liability of another to pay for "bodily injury" or "property damage" to a third person or organization if the date of the contract is prior to the date of the "bodily injury" or "property damage";
    - b. A warranty of goods or products;
    - c. Liability the "insured" would have had in the absence of a contract; or
    - d. Liability relating to the "residence premises".

"We" do not cover liability assumed under any contract or agreement in connection with any "insured's" "business", "custom farming", or "custom feeding" operations.

13. "We" do not cover "bodily injury" or "property damage" which results from an act committed by any "insured";
  - a. In the course of or in the furtherance of any:
    - 1) Crime;
    - 2) Offense of a violent nature; or
    - 3) Physical abuse; or
  - b. If a reasonable person would expect or intend "bodily injury" or "property damage" to result from the act.

This exclusion applies regardless of whether such "insured" is charged with or convicted of a crime and even if:

- 1) Such "insured" lacks the mental capacity to govern his or her conduct;
- 2) The "bodily injury" or "property damage" is of a different kind or degree than was intended or could reasonably be expected to result from the act; or
- 3) The "bodily injury" or "property damage" is sustained by a different person than was intended or could reasonably have been expected.

If this exclusion applies to any one "insured" due to the "insured's" act or omission, coverage is also excluded for all other persons or "insureds" seeking coverage under this policy.

14. "We" do not cover "bodily injury" or "property damage" arising out of war (declared or undeclared), civil war, insurrection, rebellion, or revolution.
15. "We" do not cover "bodily injury" or "property damage" when any "insured" is covered under any nuclear energy liability policy. This exclusion applies even if the limits of liability of that policy have been exhausted.
16. Except as provided under **ADDITIONAL COVERAGE 3. POLLUTION**, "we" do not cover any:
  - a. "Bodily injury" or "property damage" arising from the use, release, or discharge of any "pollutant" from, onto, or into land, water, air, or a building; or
  - b. Suit or claim of a person or governmental body requiring any "insured" to test for, remove, or remediate the presence of any "pollutant" in or on any land, water, air, or building.

17. "We" do not cover "bodily injury" or mental or emotional injury arising out of any:
- Actual, alleged, or threatened sexual molestation or sexual harassment of a person by any "insured", whether or not the "insured" intended to commit the act of sexual molestation or sexual harassment;
  - Sexual act performed by any "insured";
  - Physical abuse; or
  - Corporal punishment.

If this exclusion applies to any one "insured" due to the "insured's" act or omission, coverage is also excluded for all other persons or "insureds" seeking coverage under the policy.

18. "We" do not cover "bodily injury" or "property damage" arising out of any communicable disease. For purposes of this exclusion, a communicable disease means an infectious disease transmitted from person to person, animal to person, or animal to animal by direct or airborne contact with an infected person or any animal or the discharge from that person or animal.

However, "we" will provide coverage for:

- "Bodily injury" arising out of any communicable disease transmitted from an animal to a person; or
- "Property damage" arising out of any communicable disease transmitted from an animal to an animal.

With respect to the coverage provided by exceptions a. and b. to this exclusion, the following special limits apply:

- "Our" total limit of liability for "bodily injury" or "property damage" sustained by one or more persons in any one "occurrence" shall be the lesser of:
  - \$100,000; or
  - The limit of liability shown in the Declarations, under the heading of **COVERAGE A – LIABILITY TO PUBLIC** for each "occurrence";
- "We" will pay no more than \$300,000 for "bodily injury" or "property damage" in any 12-month period beginning with the inception date of this policy or any anniversary of the inception date, regardless of the number of "occurrences", losses, claims, injured persons, or "insureds"; and
- "Our" limit of liability shall not be restored in any subsequent policy period for the same "occurrence" or "occurrences".

19. "We" do not cover "bodily injury" or "property damage" arising out of any use, sale, manufacture, delivery, transfer, or possession by any "insured" of controlled or illegal substances as defined by any federal, state, or local law, regulation, or ordinance. This exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

20. "We" do not cover "bodily injury" or "property damage" arising out of any act or omission of any "insured" as an officer, director, trustee, member, or agent of any corporation or other organization, not listed as an "insured" in the Declarations, unless:

- The corporation or organization is a not-for-profit entity which is not subject to either state or federal taxation;
- The "insured" serves without compensation from the corporation or organization;
- The act or omission of the "insured" was within the scope of the "insured's" responsibilities as an officer, director, trustee, member, or agent of the corporation or organization; and
- The act or omission of the "insured" does not constitute intentional, willful, wanton, or reckless conduct.

21. "We" do not cover "bodily injury" to "you" or any "insured".

This exclusion also applies to any claim made or suit brought against "you" or any "insured" to:

- Repay; or
- Share damages with

another person who may be obligated to pay damages because of "bodily injury" to any "insured".

This exclusion does not apply to a "farm employee" or a "residence employee" who sustains "bodily injury" and submits a claim or files a suit against another "insured".

22. "We" do not cover "property damage" to property owned by any "insured".

23. "We" do not cover "bodily injury" to any person who may file a claim for or is entitled to an award of damages or benefits under any workers compensation, occupational disease, non-occupational disease, or any other similar law enacted to furnish compensation for the "bodily injury" of that person.

This exclusion does not apply to **COVERAGE A – LIABILITY TO PUBLIC** and **COVERAGE C – LIABILITY TO FARM EMPLOYEES** unless any "insured" has or is required to have a policy providing benefits under any workers compensation, occupational disease, non-occupational disease, or any other similar law enacted to furnish compensation for the "bodily injury" of that person.

24. "We" do not cover damages payable under the Migrant and Seasonal Agricultural Worker Protection Act or any amendment to that law.
25. "We" do not cover any liability arising out of:
- Inhaling, ingesting, or prolonged physical exposure to asbestos or goods or products containing asbestos;
  - The use of asbestos in constructing or manufacturing any good, product, or structure;
  - The removal of asbestos from any good, product, or structure; or
  - The manufacture, sale, transporting, storage, or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss, injury, or damage or any cost, fine, or penalty or for any expense or claim or suit related to any of the above.

26. "We" do not cover:
- Actual or alleged "bodily injury" that results directly or indirectly from the ingestion, inhalation, or absorption of lead in any form;
  - Actual or alleged "property damage" that results directly or indirectly from any form of lead;
  - Any loss, cost, or expense arising out of any request, demand, or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of lead; or
  - Any loss, cost, or expenses arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing or in any way responding to or assessing the effects of lead.

27. "We" do not cover "bodily injury" that arises out of any:

- Refusal to employ;
- Termination of employment;
- Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, sexual misconduct, or other employment-related practices, acts, or omissions; or
- Consequential "bodily injury" as a result of a., b., or c. above.

This exclusion applies if the "insured" is liable either as an employer or in any other capacity, or there is an obligation to fully or partially reimburse a third person for damages arising out of paragraph a., b., c., or d. above.

28. "We" do not cover a punitive or exemplary damages award, judgment, or settlement against any "insured". "We" will not pay any interest or expenses accruing on that portion of an award or judgment relating to the assessment of punitive or exemplary damages.

If a claim or suit is otherwise covered by this policy, "we" will defend any "insured" for any claim or suit in which punitive or exemplary damages are sought if the claim or suit also requests compensatory damages.

29. Except as provided under **ADDITIONAL COVERAGE 2. FUNGI**, "we" do not cover any "bodily injury" or "property damage" arising from the presence of or exposure to "fungi".

30. "We" do not cover any "bodily injury" or "property damage" arising from ingestion, inhalation, or exposure to silica or silica-related dust. For purposes of this exclusion, silica or silica-related dust means silicon dioxide (occurring in crystalline, amorphous, and impure forms), silica particles, silica dust, silica compounds, or a mixture of silica and other dust or particles.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss, injury, or damage or any cost, fine, or penalty or for any expense, claim, or suit related to any of the above.

31. a. "We" do not cover "bodily injury" or "property damage" due to the operation of any "farm implement" while:
- 1) Being used in preparation or practice for or being operated in any prearranged race, stunt, demolition, contest, or competitive speed test; or
  - 2) Used for hire or charter, except in "custom feeding" or "custom farming" operations.
- b. This exclusion does not apply to:
- 1) "Bodily injury" or "property damage" arising from the operation of a "farm implement" while being driven to or from a race, stunt, demolition, contest, or competitive speed test; or
  - 2) The use of "livestock" or a "farm implement" with or without an accessory vehicle, for providing rides for the benefit of charitable or other non-profit organizations.

32. "We" do not cover any "bodily injury" or "property damage" arising out of a "wild or exotic animal" owned by or in the care, custody, or control of any "insured".

A "wild or exotic animal" means any class of animal that:

- a. Does not generally live in a human residence or within close proximity to humans;
- b. Is typically displayed in a zoo; or
- c. Is primarily found in a wild and untamed state.

"Wild or exotic animals" include but are not limited to amphibians and reptiles such as snakes, crocodiles, and alligators; arachnids such as scorpions and poisonous spiders; mammals such as lions, tigers, bears, monkeys, and wolves; and any hybrid of wild and tame classes of animals such as a wolf/dog hybrid. A "wild or exotic animal" does not include any parrot, hamster, gerbil or animal raised for the agricultural purpose of food or milk production.

#### **B. ADDITIONAL EXCLUSIONS UNDER COVERAGE A – LIABILITY TO PUBLIC**

The following additional exclusions apply:

1. "We" do not cover any liability for "your" share of any loss assessment charged against all members of an association of property owners, except as provided under **ADDITIONAL COVERAGE 5. LOSS ASSESSMENT**.
2. "We" do not cover "property damage" resulting from diversion or obstruction of streams or surface water, or from interference with the natural drainage to or from the lands of others.

3. "We" do not cover "property damage" to property rented to, leased to, occupied by, used by, or in the care, custody, or control of any "insured" or any persons living in the household of any "insured".

However, "we" will cover "property damage" to such property caused by Fire, Smoke, or Explosion up to the limit shown in "your" Declarations.

4. "We" do not cover "bodily injury" or "property damage" sustained by any "farm employee".
5. "We" do not cover "property damage" to:
  - a. Goods or products, including containers, grown, raised, manufactured, sold, handled, or distributed by any "insured" when the "property damage" arises out of such products;
  - b. Work performed by or for any "insured" when the "property damage" arises out of such work; or
  - c. Personal property or premises "you" sell, give away, or abandon if the "property damage" arises out of any part of that personal property or premises.
6. "We" do not cover performance guarantees of crops or "livestock".

#### **C. ADDITIONAL EXCLUSIONS UNDER COVERAGE B – MEDICAL PAYMENTS TO PUBLIC**

The following additional exclusions apply:

1. "We" do not cover "bodily injury" to any "insured". "We" also do not cover "bodily injury" to any person living on the "insured premises" or on any premises rented or leased by "you" to others, except a "residence employee".
2. "We" do not cover "bodily injury" to a "farm employee" arising out of and in the course of employment by any "insured".
3. "We" do not cover any person while on the "insured premises" because of any "insured's" "business", or who is injured by an "occurrence" arising out of any "insured's" "business".

#### **D. ADDITIONAL EXCLUSIONS UNDER COVERAGE D – MEDICAL PAYMENTS TO FARM EMPLOYEES**

The following additional exclusions apply:

1. "We" do not cover "bodily injury" to any "insured". "We" also do not cover "bodily injury" to any person living on the "insured premises", except a "farm employee".
2. "We" do not cover any person while on the "insured premises" because of any "insured's" "business" or who is injured by an "occurrence" arising out of any "insured's" "business".

## E. ADDITIONAL EXCLUSIONS UNDER ADDITIONAL COVERAGES 1. DAMAGE TO PROPERTY OF OTHERS

The following additional exclusions apply:

1. "We" do not cover "property damage" to property owned by, rented to, or leased to:
  - a. Any "insured";
  - b. Any tenant of any "insured"; or
  - c. Any person living with "you".
2. "We" do not cover "property damage" arising out of "custom farming" operations.
3. "We" do not cover "property damage" or other economic loss arising from death or injury to "live-stock" or "poultry" which are under the care of any "insured" pursuant to a written or oral "custom feeding" agreement with another person or entity.
4. "We" do not cover "property damage":
  - a. Caused by wear and tear or a defect not immediately apparent to any "insured"; or
  - b. Resulting from mechanical, electrical, or structural breakdown or failure of the damaged property.
5. "We" do not cover "property damage" to property covered under other insurance available to any "insured".
6. "We" do not cover "property damage" arising out of:
  - a. Professional services or a "business" engaged in by any "insured"; or
  - b. An act or omission in connection with any premises, other than an "insured premises", that is owned, rented, leased, or controlled by any "insured".

## RIGHTS AND DUTIES – CONDITIONS

### 1. Limits Of Liability

The limits of liability shown in the Declarations and this policy apply subject to the following:

- a. "Our" total liability for both **COVERAGE A – LIABILITY TO PUBLIC** and **COVERAGE C – LIABILITY TO FARM EMPLOYEES** of this policy for all "bodily injury" and "property damage" sustained by one or more persons and "farm employees" in any one "occurrence" shall not be more than the combined single limit (CSL) shown in the Declarations for those coverages for each "occurrence";

- b. "Our" total liability for **COVERAGE B – MEDICAL PAYMENTS TO PUBLIC** of this policy for all medical expenses incurred by any one person in any one "occurrence" shall not be more than the single limit shown in the Declarations for that coverage for each person;

- c. "Our" total liability for **COVERAGE D – MEDICAL PAYMENTS TO FARM EMPLOYEES** of this policy for all medical expenses incurred by any one "farm employee" in any one "occurrence" shall not be more than the single limit shown in the Declarations for that coverage for each person; and

- d. The maximum amount that "we" will pay under all coverages provided by this policy and any endorsements during a 12-month period beginning with the inception date of this policy or any anniversary of the inception date, regardless of the number of "occurrences", losses, claims, injured persons, damaged properties, "insureds", or involved coverages, is the Annual Aggregate Limit of liability shown in the Declarations. The Annual Aggregate Limit of liability shall not be restored in any subsequent policy period with regard to any "occurrence" or "occurrences" during a prior policy period.

"We" will pay no more than these maximums regardless of the number of "insureds", injured persons, claims, claimants, lawsuits, or policies involved in any "occurrence".

### 2. Your Duties After A Loss

In the event of an "occurrence" that may give rise to a claim, or if a person makes a claim against any "insured" as a result of an "occurrence", the "insured" must perform the following duties:

- a. Notify "us" or "our" agent as soon as possible. The notice must give:
  - 1) "Your" name and policy number;
  - 2) The time, place, and circumstances of the "occurrence"; and
  - 3) The names and addresses of injured persons and witnesses;
- b. Notify the police if a law may have been broken;
- c. Send "us" promptly any legal papers relating to any claim or suit.

If a judgment on the issue of liability or damages is entered against "you" or any "insured" before "we" are notified of the summons and complaint, there is no coverage under this policy, regardless of whether "we" sustain prejudice as a consequence of the late notice of suit;

- d. Cooperate with “us” and assist “us” in any matter relating to a claim or suit;
- e. Assist “us” in enforcing any right of contribution, indemnity, or subrogation against any person or organization who may be liable to any “insured”; and
- f. If a loss covered under **ADDITIONAL COVERAGE 1. DAMAGE TO PROPERTY OF OTHERS** occurs, send “us” within 60 days of the loss, sworn proof of loss. The “insured” must protect the damaged property from any further loss. “We” will pay reasonable expenses incurred to protect the property. Any further loss due to “your” failure to protect the property will not be paid. The “insured” shall also exhibit the damaged property if within the “insured’s” control.

After a loss or covered “occurrence”, an “insured” may not make any payment, assume any obligation or expense, or retain an attorney, except at the “insured’s” own cost. “We” will not reimburse an “insured” unless “our” written consent has been provided before the obligation or expense has been incurred. An “insured” may assume reasonable expenses to preserve property which has been damaged and which is the subject matter of the claim.

**3. Duties Of An Injured Person Under Coverage B – Medical Payments To Public Or Coverage D – Medical Payments To Farm Employees**

The injured person or someone acting on behalf of the injured person will:

- a. Give “us”, as soon as possible, written proof of claim under oath if required;
- b. Submit to physical examinations at “our” expense by doctors “we” select as often as “we” may reasonably require; and
- c. Authorize “us” to obtain medical and other records.

**4. Suit Against Us**

“We” may not be sued unless there is full compliance with all the terms of this policy.

“We” may not be sued under **COVERAGE A – LIABILITY TO PUBLIC** or **COVERAGE C – LIABILITY TO FARM EMPLOYEES** until the obligation of an “insured” to pay is finally determined either by judgment against the person after actual trial or by written agreement of the person, the claimant, and “us”.

No one shall have any right to make “us” a party to a suit to determine the liability of an “insured”.

**5. Bankruptcy**

“We” are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any “insured”.

**6. Other Insurance – All Coverages**

With the exception of the coverages discussed in the following paragraph, this insurance is excess over any other valid and collectible insurance except a policy written specifically as excess over this insurance. However, if any other policy or policies of insurance provides excess coverage for the loss under the terms of an other insurance clause, “we” will pay “our” share of the loss. “Our” share is the proportion of the loss that the limit of “our” policy bears to the total of the limits of all the policies. “We” will not pay an amount in excess of “our” limits of liability.

This insurance is primary with respect to payments made under **COVERAGE B – MEDICAL PAYMENTS TO PUBLIC, COVERAGE D – MEDICAL PAYMENTS TO FARM EMPLOYEES**, and **ADDITIONAL COVERAGE 1. DAMAGE TO PROPERTY OF OTHERS**.

**7. Concealment Or Misrepresentation**

“We” may deny coverage if “you” or any “insured” has:

- a. Intentionally concealed or misrepresented any material fact or circumstance; or
- b. Made false statements,

whether before or after any loss, accident, application for coverage, or claim for which coverage is sought under this policy.

**GENERAL POLICY CONDITIONS**

**1. Liberalization Clause**

If any coverage under this policy is broadened without charge during the policy period, this policy will automatically provide the broadened coverage when it becomes effective.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- a. A subsequent edition of this policy; or
- b. An endorsement.

**2. Waiver Or Change Of Policy Provisions**

A waiver or change of a provision of this policy must be in writing by “us” to be valid. “Our” request for an appraisal or examination will not waive any of “our” rights.

### 3. Cancellation

- a. The term cancel or cancellation in this provision refers to the termination of the policy during the policy term.

"You" or "your" agent, at "your" request, may cancel this policy at any time by:

- 1) Returning this policy to "us"; or
- 2) Mailing or delivering a written request for cancellation to "us". Unless otherwise stated in the request, the cancellation will be effective on the date of receipt of the request for cancellation by "us".

- b. "We" may cancel this policy for the reasons stated in this condition. The cancellation notice shall be mailed to the first named "insured" shown in the Declarations at the last mailing address known to "us". Proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least 10 days before cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days before cancellation is effective.

- c. If this policy is cancelled, "we" will return no more than the pro rata unused share of "your" premium.

### 4. Nonrenewal

The term nonrenew in this provision means a termination of the policy at the end of the policy contract period.

"We" may elect to nonrenew this policy. "We" may do so by mailing written notice to the first named "insured" shown in the Declarations at the last mailing address known to "us" at least 30 days advance notice of "our" intention to nonrenew:

- a. Before the expiration date of the policy if the coverage is provided for one year or less; or
- b. Before the anniversary date of the policy if the coverage provided is for more than one year.
- c. The notice will state the reason for nonrenewal and shall be sent by registered, certified, or first class mail to the first named "insured's" last mailing address known to "us". Proof of mailing will be sufficient proof of notice.

### 5. Our Right To Recover Payment

"We" have the right to recover payment made under this policy if:

- a. "We" make a payment to any "insured" entitled to benefits under this policy; and
- b. The "insured" has a legal right to recover damages from a third party.
- c. After a payment is made by "us", "you", or the person receiving the payment has no right to file a claim or lawsuit to collect the amount of "our" payment from a third party. "You" or the person receiving a payment under the policy may not hire an attorney on "our" behalf to collect the amount of "our" payment.
- d. "You" or the person receiving a payment under the policy must sign papers and do whatever is necessary to transfer the right to collect the amount of the payment to "us". If "you" or the person receiving a payment under this policy release anyone responsible for causing a loss without "our" written consent, this policy has been breached and "we" may recover from "you" or the person receiving payment under the policy the amount paid by "us". If "you" or the person receiving a payment under this policy recovers damages from a third party, the proceeds of the recovery must be held in trust and "we" must be reimbursed to the extent of "our" payment under the policy.
- e. "We" do not have a right to recover a payment made under **COVERAGE D – MEDICAL PAYMENTS TO FARM EMPLOYEES**.

### 6. Transfer Of Your Rights and Duties Under This Policy

Interest in this policy may not be transferred without "our" written consent. If the first named "insured" or additional "insured" shown in the Declarations or the spouse of the "insured" residing in the same household dies, the policy will cover:

- a. Any surviving member of the deceased's household who was covered under this policy at the time of death, but only while a resident of the "insured premises";
- b. The legal representative of the deceased person while acting within the scope of duties of a legal representative; and
- c. Any person having proper temporary custody of insured property until a legal representative is appointed.

## **7. Conformity To Statutes**

Any provisions of this policy and endorsements attached to it which are in conflict with "your" state's laws, are amended to comply with the minimum requirements of the law.

## **8. Policy Period**

This policy applies to covered losses which occur during the policy period as shown in the Declarations, unless the policy has been canceled prior to the expiration of the policy period. In that case, the policy will apply only to covered losses occurring after the commencement of the policy period and before cancellation of the policy.

## **9. Time of Interpretation**

Any terms of coverage of this policy, including exclusions, shall be construed and applied based on the facts existing on the date of the "occurrence" causing "bodily injury" or "property damage".

## **10. Automatic Termination**

If "we" offer to renew or continue this policy and "you" or "your" representative do not accept this offer, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium as "we" require shall mean that "you" have not accepted "our" offer to continue the policy for the new policy period.

## **11. Representations**

By accepting this policy, "you" agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations "you" have made to "us"; and
- c. "We" have issued this policy in reliance upon "your" representations.