

**PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.**

## **EQUIPMENT BREAKDOWN COVERAGE – FARM PROPERTY**

With respect only to the coverage provided by this endorsement, “your” policy is amended as indicated.

All defined terms in “your” policy retain their meaning in this endorsement whether or not they are presented in quotation marks or bold type. The policy terms “you”, “your”, “we”, “us” and “our” will be displayed in this endorsement in quotation marks. If a definition is not provided in “your” policy but is defined in this endorsement, then the definition in this endorsement will apply.

### **A. COVERAGE**

“We” cover direct physical loss to “your” covered property while on the “insured premises” caused by an “accident”. This endorsement applies only to covered property identified in the Declarations.

#### **1. Equipment Breakdown Coverage**

“We” cover direct physical loss to “your” covered property while on the “residence premises” or “farm premises” caused by an “accident”. This endorsement applies only to covered property as described in “your” policy and identified in the Declarations unless explicitly excluded or included in this endorsement.

#### **2. Coverages Provided**

##### **a. Farm Property Coverage**

“We” will pay for direct physical damage to covered property that is the direct result of a “farm accident”.

The following coverages may apply in the event of a “farm accident”. For each coverage, “we” will pay only for that portion of the loss, damage, or expense that is solely attributable to the “farm accident”.

These coverages will not increase the limit of insurance applying to the covered property for any “one accident”.

##### **(1) Off Premises Property Damage**

If “you” have transportable “covered farm equipment” that, at the time of the “farm accident”, is not:

- (a)** At a location described in the Declarations; or
- (b)** At any other location owned, rented, or leased by “you”,

“we” will pay for physical damage to such “covered farm equipment”.

However, this coverage will not apply when the transportable “covered farm equipment” is located in a country that has a trade sanction, embargo, or other types of sanctions imposed by the United States prohibiting insurance coverage to respond to a loss.

##### **(2) Spoilage**

**(a)** “We” will pay for physical damage to “perishable goods” due to:

- (i)** “Spoilage”;
- (ii)** Contamination from the release of refrigerant, including but not limited to ammonia; or
- (iii)** “Spoilage” that is the result of a “farm accident” to equipment that is owned by a utility, landlord, or other supplier with whom “you” have a contract to supply “you” with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, or data transmission. The equipment must meet the definition of “covered farm equipment”.

**(b)** “We” will also pay any necessary expenses “you” incur to reduce the amount of loss under this coverage. “We” will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

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- (c) For purposes of this “Spoilage” coverage only, “covered farm equipment” includes a freezer or refrigerated unit located on the “residence premises”. This means that “spoilage” of “perishable goods” used in “your” farming operations stored in such freezer or refrigerated unit is covered under this “Spoilage” coverage and damage to the freezer or refrigerated unit is covered only as described under **Dwelling Property Coverage**.

The most “we” will pay for loss, damage, or expense under this coverage is \$250,000.

**(3) Data Restoration**

“We” will pay for “your” reasonable and necessary cost to research, replace, or restore lost “data”.

This coverage is extended to Computers In The “Residence Premises” described under Dwelling Property Coverage when “data” stored on computer hardware in “your” “residence premises” is used for farming purposes and to the Off-Premises Property Damage coverage described under Farm Property Coverage.

The most “we” will pay for loss or expense under this coverage is \$250,000.

**(4) Expediting Expenses**

With respect to “your” damaged covered property, “we” will pay the “reasonable extra cost” to:

- (a) Make temporary repairs; and
- (b) Expedite permanent repairs or permanent replacement.

The most “we” will pay for loss or expense under this coverage is \$250,000.

**(5) Pollutant Clean Up and Removal**

(a) “We” will pay for the additional cost to repair or replace covered property because of contamination by a “pollutant”. This includes the additional expenses to clean up or dispose of such property. This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in **Spoilage Coverage**.

(b) As used in this coverage, additional costs mean those beyond what would have been payable under this endorsement had no “pollutant” been involved.

The most “we” will pay for loss or damage under this coverage is \$250,000 per policy period.

Regardless of the number of claims, this limit is the most “we” will pay for the total of all loss or damage arising out of all occurrences of a “farm accident” which takes place in a 12-month period (starting with the beginning of the present annual policy period).

**(6) Electrical Generating Equipment**

“We” will pay for physical damage to “electrical generating equipment” capable of producing a maximum output of 500 kilowatts based on the nameplate rating. This equipment must be owned, rented, or leased by “you” and be at a location described in the Declarations.

The most “we” will pay for loss or damage under this coverage is \$100,000 unless otherwise shown in the Declarations.

**(7) Newly Acquired Locations Coverage Extension**

(a) “You” will notify us promptly of any newly acquired location that “you” have purchased or leased during the Policy Period.

(b) All coverages applicable to any location under this endorsement are extended to a newly acquired location that “you” have purchased or leased during the Policy Period.

(c) This coverage begins at the time “you” acquire the property. As respects newly constructed properties, “we” will only consider them to be acquired by “you” when “you” have fully accepted the completed project.

(d) This coverage ends when any of the following first occurs:

- (i) This Policy expires;
- (ii) 30 days expires after “you” acquire the location;
- (iii) The location is incorporated into the regular coverage of this policy; or
- (iv) The location is incorporated into the regular coverage of another Equipment Breakdown policy “you” have.

(e) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations.

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(f) "We" will charge "you" additional premium for newly acquired locations from the date "you" acquire the property.

**(8) "Livestock" and "Poultry"**

With respect to any covered "livestock" and "poultry", "we" will pay for loss resulting from a "farm accident", subject to the limit shown in the Declarations.

However, the most "we" will pay for confined "livestock" and "poultry" is \$25,000.

Regardless of the number of claims, this limit is the most "we" will pay for the total of all loss or damage arising out of all occurrences of a "farm accident" which take place in a 12-month period (starting with the beginning of the present annual policy period).

**(9) "Mobile Farm Machinery Components"**

(a) "We" will pay for loss or damage to "mobile farm machinery components" owned, rented, or leased by "you".

(b) This does not include loss or damage to any other property that results from a "farm accident" to "mobile farm machinery components".

(c) The most "we" will pay for loss or damage to "implements" or "vehicle electronics" under this coverage is \$100,000.

(d) The most "we" will pay for loss or damage to "precision agricultural equipment" under this coverage is the Limit of Liability shown on the Declarations page for the covered property.

(e) "Implements" will be covered for the actual cash value of the item.

**(10) Resultant Damage to Field Crops**

If crops growing in a field to be harvested are crushed during the approach, repair or removal of "mobile farm machinery components" as a result of a "farm accident" "we" will pay for the resulting field crop loss.

The most "we" will pay for loss or damage under this coverage is \$25,000.

**(11) Risk Improvement**

If "covered farm equipment" suffers direct physical loss or damage due to a "farm accident", "we" will pay for "you" to improve the "power quality" of the electrical system or equipment at the loss location where the "farm accident" occurred.

"We" will pay the reasonable extra cost to improve "power quality" for the following electrical systems and/or equipment improvements:

(a) Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.

However, SPD's do not include any SPD's which are cord connected surge strips, direct plug-in SPD's or receptacle SPD's;

(b) An upgrade and/or replacement of electrical panels, switchgear and/or circuit breakers; or

(c) Electrical wire and wiring improvements which include installation of flexible conduit, junction boxes and/or ground wiring.

"We" will not pay more than 10%, to a maximum limit of \$10,000, of the loss amount paid. An invoice for implementation of this coverage must be sent to us within 180 days after the payment of the loss is received.

**b. Dwelling Property Coverage**

"We" will pay for direct physical damage to covered property that is the direct result of a "dwelling accident".

This coverage applies to the "residence premises" where "you" reside and any additional dwelling(s) where "you" do not reside if located on the "farm premises" that is specifically identified in the Declarations with this form number. With respect to "your" "covered dwelling equipment" that is personal property, this coverage applies only to the "residence premises" where "you" reside.

The following coverages may apply in the event of a "dwelling accident". For each coverage, "we" will pay only for that portion of the loss, damage, or expense that is solely attributable to the "dwelling accident".

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These coverages will not increase the limit of insurance applying to the covered property for any "one accident".

**(1) Loss of Use**

If a "dwelling accident" makes that part of the "residence premises" where "you" reside not fit to live in, "we" cover the following:

- (a) Additional Living Expense, meaning any necessary increase in living expenses incurred by "you" so that "your" household can maintain its normal standard of living; and
- (b) Loss of Rent, meaning the rent "you" lose or the fair rental value of that part of the "residence premises" rented to others less any expenses that do not continue while the premises is not fit to live in.

Payment under (a) or (b) will be for the shortest time required to repair or replace the damage.

The most "we" will pay for loss or expense per "dwelling accident" under this coverage is \$10,000. "We" do not cover loss or expense due to cancellation of a lease or agreement.

**(2) Refrigerated Products**

With respect to "your" refrigerated "perishable goods" located on the "residence premises", "we" will pay:

- (a) For physical damage due to "spoilage" that is the result of a "dwelling accident"; and
- (b) Any necessary expenses "you" incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

The most "we" will pay for loss or expense under this coverage is \$10,000.

**(3) Expediting Expenses**

With respect to "your" damaged "covered dwelling equipment", "we" will pay the "reasonable extra cost" to:

- (a) Make temporary repairs; and
- (b) Expedite permanent repairs or permanent replacement.

The most "we" will pay for loss or expense under this coverage is \$25,000.

**(4) Pollutant Clean Up and Removal**

- (a) "We" will pay for the additional cost to repair or replace covered property because of contamination by a "pollutant". This includes the additional expenses to clean up or dispose of such property.
- (b) As used in this coverage, additional costs mean those beyond what would have been payable under this endorsement had no "pollutant" been involved.

The most "we" will pay for loss or damage under this coverage is \$10,000 per policy period.

Regardless of the number of claims, this limit is the most "we" will pay for the total of all loss or damage arising out of all occurrences of a "dwelling accident" which takes place in a 12-month period (starting with the beginning of the present annual policy period).

**(5) Off Premises Coverage – Dwelling Accident**

If "you" have transportable "covered dwelling equipment" that, at the time of the "dwelling accident", is not:

- (a) At a location described in the Declarations; or
- (b) At any other location owned, rented, or leased by "you",

"we" will pay for physical damage to such "covered dwelling equipment".

The most "we" will pay for loss or damage under this coverage is \$10,000.

**(6) Computers in the "Residence Premises"**

"We" will pay for direct physical loss or damage to "your" "computer equipment", which is located in the "residence premises" and used for farming purposes as a result of a "dwelling accident".

The most "we" will pay for loss or damage under this coverage, including Data Restoration described under Farm Property Coverage and Business Income if the Business Income, Extra Expense and Service Interruption Endorsement is attached to this policy, is \$25,000.

## B. EXCLUSIONS

All policy exclusions apply except those modified below and to the extent that coverage is specifically provided by this endorsement. The following exclusions are added, only if they are not currently stated in “your” policy.

“We” will not pay for any excluded loss, damage, or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage, or expense.

1. Any exclusions in “your” policy for mechanical or electrical breakdown do not apply to this endorsement.
2. “We” will not pay for loss, damage, or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident”:

### a. Fire and Explosion

- (1) Fire, including smoke from a fire;
- (2) Combustion explosion, including smoke from a combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel; or
- (3) Any other explosion, except as specifically provided in the definition for “farm accident”.

### b. Ordinance or Law

The enforcement of, or change in, any ordinance, law, regulation, rule, or ruling regulating or restricting repair, replacement, alteration, use, operation, construction, or installation, except as specifically provided in Pollutant Clean Up and Removal coverage.

### c. Earth Movement

Earth movement, whether natural or human-made, including but not limited to earthquake, land shock waves, tremors, subsidence, landslide, rock fall, earth sinking, sinkhole collapse, or tsunami.

### d. Water Damage

- (1) Flood, surface water, waves, overflow of any body of water, or their spray, regardless of cause and whether or not driven by the wind;
- (2) Tsunami, storm surge, tidal wave, tidal water, storm tide, or their spray, whether or not driven by wind or caused by earthquake;
- (3) Mudslide or mudflow;
- (4) Water or water-borne material which backs up or overflows from sewers or drains or which overflows or is discharged from a sump, sump pump, or related equipment;
- (5) Water or water-borne material below the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, patios, walls, floors, or paved surfaces;
  - (b) Basements, whether finished or not; or
  - (c) Doors, windows, or other openings; or
- (6) Damage to piers, docks, or boat hoists caused by waves, whether or not driven by wind.

This exclusion **d.** applies, whether or not the loss is caused by or resulting from:

- (i) Human or animal forces or any act of nature; or
- (ii) The failure of any dam, levee, seawall, or any other boundary or containment system.

However, if electrical “covered farm equipment” requires drying out because of the above, “we” will pay for the amount “you” actually expend to dry out such equipment. This is subject to the applicable limit of insurance and deductible applicable to this endorsement for “covered farm equipment”. “We” will not pay to replace such equipment or for any other loss, damage, or expense.

The most “we” will pay for loss under this provision is \$25,000.

### e. Fines

Fine, penalty, or punitive damage.

**f. Fungi**

“Fungi”, or yeast, including any spores or toxins created or produced by or emanating from such “fungi” or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal, or abatement of such “fungi”, yeast, spores, or toxins.

This exclusion does not apply to “spoilage” of personal property that is “perishable goods” to the extent that such “spoilage” is covered under **Spoilage Coverage** or **Refrigerated Products Coverage**.

3. “We” will not pay for an “accident” caused by or resulting from any of the following causes of loss:
- a. Lightning.
  - b. Windstorm or Hail. However, this exclusion does not apply when:
    - (1) “Covered dwelling equipment” or “covered farm equipment” located within a building or structure suffers an “accident” that results from wind-blown rain, snow, sand, or dust; and
    - (2) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand, or dust entered.
  - c. Collision or any physical contact caused by a “vehicle”, a “motor vehicle”, a “recreational vehicle”, or for damage caused by objects falling from an aircraft.
  - d. Riot or Civil Commotion.
  - e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.
  - f. Volcanic Action.
  - g. An electrical insulation breakdown test.
  - h. A hydrostatic, pneumatic, or gas pressure test.
  - i. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.
  - j. Elevator collision.
  - k. Falling Objects.
  - l. Weight of Snow, Ice, or Sleet.
  - m. Discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
  - n. Collapse.
  - o. Breakage of Glass.
  - p. Freezing caused by cold weather.
  - q. Electrocutation of any “livestock” or “poultry”.
4. With respect to a “farm accident” only, Exclusion 3. does not apply if all the following are true:
- a. The excluded peril occurs away from any location described in the Declarations and causes an electrical surge or other electrical disturbance;
  - b. Such surge or disturbance is transmitted through utility service transmission lines to a described location;
  - c. At the described location, the surge or disturbance results in an “accident” to “covered farm equipment” that is owned or operated under the control of “you” or “your” landlord; and
  - d. If the loss, damage, or expense caused by such surge or disturbance is not a covered cause of loss under another endorsement attached to this policy, coverage part or policy of insurance “you” have, whether collectible or not, and regardless of if the other endorsement, other coverage part or policy of insurance provides the same coverage or scope of coverage as this Equipment Breakdown endorsement.
5. “We” will not pay for any loss or damage to covered property caused by or resulting from a “farm accident” to “vehicle electronics” except for the loss or damage to:
- a. The “vehicles” global positioning system itself; and
  - b. The auto guidance systems; sensors; hydraulic or planter controls; monitors and cameras; wire harness assemblies and connectors or electronic drive and control units and engine and transmission control units directly controlled by the “vehicles” global positioning system.

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6. With respect to Data Restoration coverage, “we” will not pay to reproduce:
  - a. Software programs or operating systems that are not commercially available; or
  - b. “Data” that is obsolete, unnecessary, or useless to “you”.
7. With respect to any coverages provided for “dwelling accident,” “we” will not pay for loss or damage to any property that is not “covered dwelling equipment”.
8. With respect to “mobile farm machinery components”, “we” will not pay for loss or damage to “precision agricultural equipment” or “implements” that are 25 years old or older except global positioning system equipment.
9. “We” will not pay for loss, damage or expense caused by or resulting from:
  - a. Loss or damage to an “implement” when the “vehicles” electrical or electronic system is not functioning properly.
  - b. Loss or damage caused by or resulting from foreign objects being taken into an “implement” or other covered property. This exclusion applies even if a “farm accident” results.
  - c. Loss to any property damaged as a result of a “farm accident” to “mobile farm machinery components” except as provided by the Resultant Damage to Field Crops coverage described under Farm Property Coverage.
  - d. Loss to any non-owned “livestock” or “poultry” except as indicated under the Business Income, Extra Expense and Service Interruption Endorsement, if that endorsement is attached to this policy.

### **C. LIMITS OF INSURANCE**

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one insured is shown in the Declarations or if “you” are comprised of more than one legal entity.

The coverages provided under the Farm Property Coverage and Dwelling Property Coverage sections of this endorsement only apply to the covered property described in the policy if a limit is shown in the Declarations for that covered property and it is subject to that limit. The Loss Settlement provision outlined in the Loss Conditions section outlined in this endorsement for any “one accident” applies.

Dwelling coverage provided under this endorsement is limited to \$100,000 for any “one accident”.

The limit of “your” insurance under each of the coverages listed under the Farm Property Coverage section from loss, damage, or expense arising from any “one accident” is the applicable limit indicated for that coverage unless a different limit is indicated for that coverage in the Declarations. These limits are a part of, and not in addition to, the limit of insurance shown in the Declarations for Equipment Breakdown Coverage.

Coverage provided under this endorsement does not provide additional amount of insurance.

### **D. DEDUCTIBLES**

#### **1. Dwelling Deductible**

In the event of a “dwelling accident”, “we” will not pay for loss, damage, or expense resulting from any “one accident” until the amount of loss, damage, or expense exceeds \$500. “We” will then pay the amount of loss, damage, or expense in excess of the deductible, subject to the applicable limits shown in the Declarations.

#### **2. Farm Deductible**

- a. If a separate Equipment Breakdown deductible is not shown in the Declarations “we” will not pay for loss, damage, or expense resulting from any “one accident” until the amount of loss, damage, or expense exceeds \$500 or the policy deductible stated in the Declarations whichever is greater, up to a maximum of \$2,500.
- b. If a separate Equipment Breakdown deductible is shown in the Declarations “we” will not pay for loss, damage, or expense resulting from any “one accident” until the amount of loss, damage, or expense exceeds the applicable deductible or deductibles shown in the Declarations. Unless the Declarations indicate that “your” Equipment Breakdown deductible is combined for all coverages, multiple deductibles may apply to any “one accident”. If deductibles vary by type of “covered farm equipment” and more than one type of “covered farm equipment” is involved in any “one accident”, only the highest deductible for each coverage will apply.

- c. The following Deductible applies, as indicated, in addition to the Deductibles described above:

**Spoilage Deductible** – If the deductible for loss covered under **Spoilage Coverage** is expressed in the Declarations as a percentage of loss subject to a dollar amount minimum, “we” will not pay for loss, damage, or expense resulting from any “one accident” until the amount of loss, damage, or expense (prior to any applicable deductible or coinsurance) exceeds that deductible. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

## E. LOSS CONDITIONS

The following loss conditions apply:

### 1. Brands and Labels

If branded or labeled merchandise that is covered property is damaged by an “accident”, but retains a salvage value, “you” may, at “your” expense:

- a. Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- b. Remove the brands or labels, if doing so will not physically damage the merchandise. “You” must re-label the merchandise or its containers to comply with the law.

“We” will pay for any reduction in value of the salvage merchandise resulting from either of these two actions, subject to all applicable limits.

### 2. Errors and Omissions

- a. “We” will pay “your” loss covered by this endorsement if such loss is otherwise not payable solely because of any of the following:
  - (1) Any error or unintentional omission in the description or location of property as insured under this endorsement;
  - (2) Any failure through error to include any premises owned or occupied by “you” at the inception of this endorsement; or
  - (3) Any error or unintentional omission by “you” that results in cancellation of any premises insured under this endorsement.
- b. No coverage is provided as a result of any error or unintentional omission by “you” in the reporting of values or the coverage “you” requested.
- c. It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The endorsement premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.

### 3. Loss Settlement

Losses under this endorsement will be settled as follows:

- a. Except as specified otherwise, “our” payment for damaged covered property will be the smallest of:
  - (1) The cost to repair the damaged property;
  - (2) The cost to replace the damaged property on the same site; or
  - (3) The amount “you” actually spend that is necessary to repair or replace the damaged property.
- b. Except as described in a. above, “implements” which will be covered at actual cash value.
- c. Except as described in d. and e. below, “you” must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- d. **Environmental, Safety, and Efficiency Improvements**

If “covered farm equipment” or “covered dwelling equipment” requires replacement due to an “accident”, “we” will pay “your” additional cost to replace with equipment that “we” agree is better for the environment, safer for people, or more energy efficient than the equipment being replaced, subject to the following conditions:

  - (1) “We” will not pay more than 150% of what the cost would have been to replace with like kind and quality;
  - (2) “We” will not pay to increase the size or capacity of the equipment;

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- (3) This provision only applies to Farm Property Coverage and Dwelling Property coverage;
- (4) This provision does not increase any of the applicable limits;
- (5) This provision does not apply to any property valued on an Actual Cash Value basis; and
- (6) This provision does not apply to the replacement of component parts.

**e. Green Environmental and Efficiency Improvements**

If "covered farm equipment" or "covered dwelling equipment" requires repair or replacement due to a "dwelling accident" or "farm accident", "we" will pay:

- (1) The lesser of the additional costs incurred by "you" to repair or to replace physically damaged "covered farm equipment" or "covered dwelling equipment" with property of like kind and quality which qualifies as "green". For this Condition, like kind and quality includes similar size and capacity.
- (2) The additional fees, incurred by "you", for an accredited professional certified by a "green authority" to participate in the repair or replacement of physically damaged "covered farm equipment" or "covered dwelling equipment" as "green".
- (3) The cost incurred by "you" for certification of the repaired or replaced property as "green".
- (4) The cost incurred by "you" for "green" in the removal, disposal, or recycling of damaged "covered farm equipment" or "covered dwelling equipment".
- (5) If Business Income, Extra Expense and Service Interruption Endorsement is attached to this policy, "we" will pay for the loss during the additional time required for repair or replacement of "covered farm equipment" or "covered dwelling equipment", consistent with "green", in (1) to (4) above.

Subject to the following conditions:

- (1) For Farm Property Coverage, "we" will not pay more than 150%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality. This is inclusive of fees and costs incurred as stated above. This Condition does not provide additional insurance.
  - (2) For Dwelling Property Coverage, we will not pay more than a maximum limit of \$10,000 of what the cost would have been to repair or replace with equipment of like kind and quality. includes fees, costs, and any loss of use loss incurred as stated above.
  - (3) This provision does not increase any of the applicable limits.
  - (4) This provision does not apply to stock, raw materials, finished goods, "production machinery", merchandise, electronic "data" processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which "you" are legally liable, or personal property of others.
  - (5) This provision does not apply to any loss covered under any other section of this policy.
  - (6) This provision does not apply to any cost incurred due to any law or ordinance with which "you" were legally obligated to comply prior to the time of the "dwelling accident" or "farm accident".
- f.** If "you" do not repair or replace the damaged property within 24 months after the date of the "accident", then "we" will settle on the basis of actual cash value.
- g.** If any one of the following conditions is met, property held for sale by "you" will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
- (1) The property was manufactured by "you";
  - (2) The sales price of the property is less than the replacement cost of the property; or
  - (3) "You" are unable to replace the property before its anticipated sale.
- h.** Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
- (1) For mass-produced and commercially available software, at the replacement cost.
  - (2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. "We" will not pay for "data" representing financial records based on the face value of such records.

- i. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:

- (1) Repair or replace the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

If option (2) or (3) is more expensive than (1), but “you” wish to retrofit or replace anyway, “we” will consider this better for the environment and therefore eligible for valuation under paragraph **d. Environmental, Safety, and Efficiency Improvements** above. In such case, **E.3.d.(1)** is amended to read: “We” will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality.”

## F. ADDITIONAL CONDITIONS

In addition to “your” policy conditions the following apply, only if they are not currently stated in “your” policy:

### 1. Jurisdictional Inspections

It is “your” responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any “covered farm equipment” that is covered property requires inspection to comply with such regulations, at “your” option “we” agree to perform such inspection.

### 2. Suspension

Whenever “covered farm equipment” is found to be in, or exposed to, a dangerous condition, any of “our” representatives may immediately suspend the insurance against loss from a “farm business accident” to that “covered farm equipment”. This can be done by delivering or mailing a written notice of suspension to:

- a. “Your” last known address; or
- b. The address where the “covered farm equipment” is located.

Once suspended in this way, “your” insurance can be reinstated only by an endorsement for that “covered farm equipment”.

If “we” suspend “your” insurance, “you” will get a pro-rata refund of premium for that “covered farm equipment” for the period of suspension. But the suspension will be effective even if “we” have not yet made or offered a refund.

### 3. Transfer of “Your” Rights and Duties Under This Policy

Interest in this policy may not be transferred without “our” written consent. If the insured person named in the Declarations or if 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 custody of insured property until a legal representative is appointed.

## G. DEFINITIONS

In addition to “your” policy definitions the following apply:

### 1. “Accident”

- a. “Accident” means a “dwelling accident” or a “farm accident”.
- b. None of the following is an “accident”, however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected:
  - (1) Depletion, deterioration, rust, corrosion, erosion, settling, or wear and tear;
  - (2) Any gradually developing condition;
  - (3) Any defect, programming error, programming limitation, computer virus, malicious code, loss of “data”, loss of access, loss of use, loss of functionality, or other condition within or involving “data” or “media” of any kind; or

(4) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting, or cleaning, or by the performance of maintenance.

2. **“Computer Equipment”** means covered property that is electronic computer or other data processing equipment, including “media” and peripherals used in conjunction with such equipment.

3. **“Covered Dwelling Equipment”**

a. “Covered dwelling equipment” means property that:

- (1) “You” own or that is in “your” care, custody, or control and for which “you” are legally liable;
- (2) Is an integral part of a “dwelling” or other private structure appurtenant to a “dwelling”, or that is permanently mounted on or in a “dwelling”; or
- (3) Is personal property; and
- (4) That generates, transmits, or utilizes energy; or which during normal usage operates under vacuum or pressure, other than the weight of its contents.

Such equipment must be located at the “residence premises” described in the Declarations.

b. None of the following is “covered dwelling equipment”:

- (1) Supporting structure, cabinet, or compartment;
- (2) Insulating material associated with “covered dwelling equipment”;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (4) Piping, vessel, wiring, or tubing that is buried or encased in earth, concrete, or other material, whether above or below grade, or in an enclosure which does not allow access or inspection or repair;
- (5) Water piping other than boiler feedwater piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- (6) Software or electronic data;
- (7) A “motor vehicle”;
- (8) A “recreational vehicle”; or
- (9) A “vehicle”.

4. **“Covered Farm Equipment”**

a. “Covered farm equipment” means:

- (1) Unless otherwise stated in the policy:
  - (a) Equipment that generates, transmits, or utilizes energy, including electronic communications and data processing equipment; or
  - (b) Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents; and
- (2) Such equipment must be property that is covered under the farm property coverage form that is part of this policy; must be at a location described in the Declarations; and must be owned, rented, or leased by “you” or operated under “your” control; except as specifically provided for under:
  - (a) **Off Premises Property Damage**;
  - (b) **Spoilage Coverage**; and
  - (c) **Service Interruption Additional Coverage**, of the Business Income, Extra Expense and Service Interruption Endorsement, if that endorsement is attached to this policy.

b. None of the following is “covered farm equipment”:

- (1) Structure, foundation, cabinet, compartment, or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;

- (4) Water piping other than boiler feedwater piping, boiler condensate return piping, or water piping forming a part of a refrigerating or air conditioning system;
- (5) A “vehicle” or any equipment mounted on a “vehicle”;  
However, equipment that is:
  - (a) “Transportable farm equipment”;
  - (b) Stationary, permanently installed at a location described in the Declarations and that receives electrical power from an external power source; or
  - (c) “Mobile farm machinery components”;
 will not be considered a “vehicle” or equipment mounted on a “vehicle”;
- (6) Satellite, spacecraft, or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation, or construction equipment;
- (8) Equipment manufactured by “you” for sale;
- (9) “Data”;
- (10) Irrigation systems except as follows:
  - (a) As respects pivot irrigation systems, “covered farm equipment” does include the central pivot, the wheels, and the drive mechanisms for the swing arm and corner attachments, including but not limited to motors and gears; and
  - (b) As respects all irrigation systems, “covered farm equipment” does include sensors, controls, and pumps and drive motors and drive engines used with such pumps;
- (11) Equipment located at the “residence premises”, except as specifically provided for under **Computers In The “Residence Premises”**;
- (12) Electrical generating equipment, except as specifically provided for under:
  - (a) **Electrical Generating Equipment**;
  - (b) **Spoilage Coverage**; or
  - (c) **Service Interruption Additional Coverage**, of the Business Income, Extra Expense and Service Interruption Endorsement, if that endorsement is attached to this policy.
- (13) A “motor vehicle”, or
- (14) A “recreational vehicle”.

5. “Data” means information or instructions stored in digital code capable of being processed by machinery.

6. “Dwelling Accident” means sudden and accidental:

- a. Mechanical or electrical breakdown;
- b. “Electronic equipment deficiency” to “electronic equipment”; or
- c. Tearing apart, cracking, burning, or bulging of a steam or hot water heating system, or an air conditioning system;

that results in direct physical damage to “covered dwelling equipment”.

“We” pay for an ensuing loss to “covered dwelling equipment” that is caused by an “accident” that is covered under this endorsement.

7. “Electrical Generating Equipment”

- a. “Electrical Generating Equipment” means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:
  - (1) Boilers used primarily to provide steam for one or more turbine-generator units;
  - (2) Turbine-generators (including steam, gas, water, or wind turbines);
  - (3) Engine-generators;

- (4) Fuel cells or other alternative electrical generating equipment;
  - (5) Electrical transformers, switchgear, and power lines used to convey the generated electricity; and
  - (6) Associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.
- b. "Electrical Generating Equipment" does not mean:
- (1) Elevator or hoist motors that generate electricity when releasing cable; or
  - (2) Equipment intended to generate electricity solely on an emergency, back-up basis.
8. "**Electronic equipment**" means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors, or circuits.
9. "**Electronic equipment deficiency**" means the quality or condition inside of "electronic equipment" which renders this equipment unexpectedly inoperable, and which is operable again once a piece of "electronic equipment" has been replaced.
- However, "electronic equipment deficiency" will not include replacement of "electronic equipment" for any condition that could have been resolved without replacement of the "electronic equipment" including but not limited to computer equipment maintenance or the reinstallation or incompatibility of software.
10. "**Farm Accident**" means a fortuitous event that causes direct physical damage to "covered farm equipment". The event must be one of the following:
- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances, or wires;
  - c. "Electronic equipment deficiency" to "electronic equipment";
  - d. Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines, or steam turbines;
  - e. An event inside steam boilers, steam pipes, steam engines, or steam turbines that damages such equipment; or
  - f. An event inside hot water boilers or other water heating equipment that damages such equipment.
11. "**Farm Premises**" means the premises which "you" own, rent, lease, or control as part of "your" farming operation.
12. "**Fungi**" means any type or form of fungus including mold or mildew, and mycotoxins, spores, scents, or by-products produced or released by "fungi".
13. "**Green**" means products, materials, methods, and processes certified by a "green authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions, or otherwise minimize environmental impact.
14. "**Green authority**" means an authority on "green" buildings, products, materials, methods, or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star® rating system, or any other recognized "green" rating system.
15. "**Implement**" means any equipment that is not permanently attached to a "vehicle" and is used to carry out farming operations including but not limited to:
- a. Preparing soil;
  - b. Sowing;
  - c. Harvesting; and
  - d. Planting.
- "Implement" also means the external electronics that control or operate the "implement".
16. "**Media**" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks, or floppy disks.
17. "**Mobile farm machinery components**" means the following when they are part of or mounted on a "vehicle":
- a. "Precision agricultural equipment";
  - b. "Implement"; and
  - c. "Vehicle electronics".

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18. **“Motor Vehicle”** means 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 government agency; or a trailer or semi-trailer designed for travel on public roads or subject to vehicle registration.
19. **“One Accident”** means all “accidents” occurring at the same time from the same event. If an “accident” causes other “accidents”, all will be considered “one accident”.
20. **“Perishable Goods”** means any covered property, other than live animals, subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity, or pressure.
21. **“Poultry”** means fowl kept by “you” for use or sale.
22. **“Power quality”** means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the lifespan of the electrical system.
23. **“Precision agricultural equipment”** means:
- a. A global positioning system;
  - b. The global positioning system controller computer; and
  - c. Actuators and assemblies when controlled by a global positioning system including but not limited to:
    - 1) Rotary or linear servo motors; and
    - 2) Hydraulic, metering, mixing, or steering assemblies.
24. **“Production machinery”** means any machine when processes, forms, shapes, or transports raw materials, materials in process, waste materials, or finished products.
25. **“Reasonable extra cost”** means the extra cost of temporary repair and of expediting the repair of “your” damaged property, including overtime and the extra cost of express or other rapid means of transportation.
26. **“Recreational vehicle”** means a motorized land vehicle designed or used for recreational use off public roads, including but not limited to:
- a. A snowmobile;
  - b. An all-terrain vehicle, meaning a motorized vehicle equipped with balloon tires or crawler-treads, designed for use on rugged terrain, or rugged terrain and water;
  - c. An all-material transport vehicle, meaning a motorized vehicle equipped with a rear utility box to transport material, four or more wheels, a steering wheel, and bench or bucket seating; or
  - d. A motorized golf cart.
27. **“Residence Premises”** means:
- a. The one- to four-family dwelling described in the Declarations which is located on the “farm premises”. This includes the immediate grounds not used for farming; or
  - b. The condominium unit described in the Declarations which is occupied by “you”.
28. **“Spoilage”** means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, or freezing of fresh goods.
29. **“Transportable Farm Equipment”** means “covered farm equipment” that is mounted on wheels or a trailer in order to make it transportable; and
- a. Not used to drive or steer such wheels or trailer; and is
  - b. Stationary and in use at the location described in the Declarations at the time of the “farm accident”.
30. **“Vehicle”** means:
- a. Any machine or apparatus that is used for transportation, both inside and outside of a building including a battery-propelled machine or apparatus that requires periodic recharging; or
  - b. Any machine or apparatus that is able to move under its own power including but not limited to any car, truck, bus, trailer, train, aircraft, watercraft, drones, forklift, tractors, combines, loaders, bulldozers, and all-terrain or “recreational vehicles”.

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c. "Mobile farm machinery components" when used in normal farming operations or any property at a covered location that, for at least 24 consecutive hours, has been stationary, installed and receiving electrical power from a power source that is external to such property are not a "vehicle".

**31. "Vehicle electronics"** means electronics used to automate agricultural operations from the "vehicles" cab and used in conjunction with the "vehicles" global positioning system. The "vehicle electronics" can be either internal or external of the cab.

"Vehicle electronics" are:

- a. Auto guidance systems;
- b. Sensors;
- c. Hydraulic or planter controls;
- d. Monitors and cameras;
- e. Wire harness assemblies and connectors; and
- f. Electronic drive and control units and engine and transmission control units.

"Vehicle electronics" does not include the "vehicles" powertrain or braking system except as described in **f.** above.

All other terms and conditions of this policy apply.