



DISCLOSURE NOTICE - FARMOWNERS POLICY

- In Four Sections: A) Dwelling Coverages - Basic Form;
B) Coverage for Farm Barns, Buildings, and Structures and Farm Personal Property;
C) Additional Policy Conditions and Property Coverage Terms; and
D) Farm Liability Coverage (Personal)

Your new policy includes some important coverage changes. Please review it carefully and contact us or your agent if you have questions or if you want to purchase additional coverage.

No coverage is provided by this summary, nor does it replace any provisions of your policy. You should read your policy and review your Declarations for complete information on the coverages you are provided. If there are any discrepancies between the policy and this summary, **THE PROVISIONS OF THE POLICY GOVERN.**

Your new policy is arranged in a modular format that consists of several different forms. Important changes in each of the major forms are described below. The words used throughout your policy that have a special meaning are listed under the Definitions section of each form. Wherever these special words appear in your policy, they are usually shown in "quotation marks". In your old policy, words that had special meaning were shown in **bold-face type**.

- A. Dwelling Coverages - The section of your policy that addresses coverage for your dwelling, related private structures, household personal property, and additional living costs and/or loss of rent, as well as related incidental coverages is called "Dwelling Coverage - Basic Form". The form number is FO-1.
1. Under Definitions, the definition of Pollutant now includes reference to electrical, magnetic, and sound emissions.
 2. Under Coverage A, the limit that applies to the dwelling does not apply to private power, light, or electric poles; wells or well pumps; irrigation systems; or outdoor antennas. With the exception of irrigation systems, these items are covered under the Incidental Property Coverages in the dwelling section of your new policy.
 3. Your new policy now includes Coverage B, which provides a limited

amount of coverage for other structures on the premises that are related to the use of the dwelling. Coverage B also applies to fences, driveways, sidewalks, and other permanently installed outdoor fixtures that are within 250 feet of the residence covered under Coverage A.

Coverage B does not apply to barns or other structures designed or used for farming or most other business purposes.

The Coverage B limit does not apply to private power, light, or electric poles; wells or well pumps; irrigation systems; or outdoor antennas. With the exception of irrigation systems, these items are covered under the Incidental Property Coverages in the dwelling section of your new policy.

4. Under Coverage C:

- a. Some of the limits that apply to certain types of personal property have been increased. The limits that changed are shown below; the limits that applied under your old policy are shown in parentheses ().

Money, Bank Notes, Bullion, Etc. - \$250 (\$200)

Securities, Stamps, Etc. - \$1,500 (\$1,000)

Watercraft - \$1,500 (\$1,000)

Trailers - \$1,500 (\$1,000)

Jewelry, Watches, and Furs for loss by Theft - \$2,500 (\$1,500)

Guns - \$2,500 for loss by Theft (\$2,000)

- b. Coverage for motorized vehicles used to service the premises (other than farm vehicles) is now limited to \$2,500. Under your old policy, coverage for such vehicles was not subject to a special sub-limit.
- c. The \$2,500 limit for business personal property applies whether the property is on or away from the premises. Under your old policy, coverage for business personal property away from the premises was limited to \$250. (The coverage provided for business personal property does not apply to farm personal property.)
- d. A \$1,500 limit is provided for electronic devices that can be operated from both the electrical system of a vehicle or watercraft *and* by other sources of power. The \$1,500 limit also applies to films, tapes, wires, and discs used with such devices. Devices that can only be operated from the electrical system of a vehicle or watercraft are still excluded while in or on a vehicle or watercraft. Your old policy excluded coverage for electronic devices that were capable of being operated from the electrical system of a vehicle or

watercraft while the device was in or on the vehicle or watercraft.

- e. The limit that applies to household personal property does not apply to private power, light, or electric poles; wells or well pumps; irrigation systems; or outdoor antennas. With the exception of irrigation systems, these items are covered under the Incidental Property Coverages in the dwelling section of your new policy.
5. Under Coverage D, your old policy provided coverage for loss of rent or fair rental value for the period of time required to make the insured premises fit for use following an insured loss. Under your new policy, that coverage is provided for the period of time required to make the insured premises fit for use or until your household is permanently relocated, whichever time frame is shorter.
 6. Under the Incidental Property Coverages:
 - a. Coverage for the cost of removing the debris of covered property following an insured loss has been capped at 25% of the limit that applies to the covered property. If the direct physical damage plus the cost of debris removal exceed the limit that applies to the covered property, an additional 5% of the limit on the covered property will be provided for the cost of removing debris.
 - b. A new provision called Increased Cost - Ordinance or Law has been added to automatically provide a limited amount of coverage for increased costs that may result from the enforcement of a building code or law that regulates the use, construction, repair, or demolition of covered property following a covered loss. This coverage is limited to 25% of the limit that applies to the covered property, but if the direct physical damage plus the increased costs exceed the limit that applies to the covered property, an additional 5% of the limit on the covered property will be provided for the increased costs.
 - c. The special limit that applies to Credit Card, Forgery, and Counterfeit Money coverage has been increased from \$1,000 to \$1,500. The special limit that applies to Grave Markers has also been increased from \$1,000 to \$1,500.
 - d. Your new policy automatically includes the additional Incidental Property Coverages listed below:
 - Outdoor Antennas - Up to \$1,500 in coverage is provided for loss to outdoor antennas, including satellite dish antennas, caused by a peril that applies to Coverage C. This includes coverage for masts, towers, and lead-in wiring.

- Well Pumps - Up to \$1,500 in coverage is provided for loss to well pumps caused by a peril that applies to Coverage C. This includes coverage for pump switch boxes, fuse boxes, control boards, and any other equipment attached to the well pump for its operation.
- Private Power and Light Poles - Up to \$1,500 in coverage is provided for loss to private power and light poles caused by a peril that applies to Coverage C. This includes coverage for outdoor wiring, switch boxes, fuse boxes, and any other outdoor electrical equipment mounted on panels or poles.
- Refrigerated Food Spoilage - Up to \$500 in coverage is provided for the spoilage of food in a freezer or refrigerated unit on the insured premises caused by a power failure or by the breakdown of the refrigeration equipment.

7. Under the Perils Section that applies to Coverages A, B, C, and D:

- a. The lead-in to the perils section in your new policy specifies that the coverage for loss caused by any of the perils described in the policy is subject to the General Exclusions. The General Exclusions are listed under form FO-20 in your new policy.
- b. Under the peril of Theft, the exclusion pertaining to a residence being built applies only until the residence is occupied for its intended use. Under your old policy, the exclusion applied until the residence was finished and occupied.

B. Coverage for Farm Barns, Buildings, and Structures and Farm Personal Property - The section of your policy that addresses coverage for farm structures and farm personal property is called "Farm Coverage". The form number is FO-6.

In your new policy, Coverage E refers Farm Barns, Buildings, and Structures; Coverage F refers to Scheduled Farm Personal Property; and Coverage G refers to Unscheduled Farm Personal Property. Previously, both Scheduled and Unscheduled Farm Personal Property were called Coverage E, and Coverage F referred to Farm Barns, Buildings, and Structures.

1. Under Definitions:

- a. The definition of non-farm vehicles is added to clarify the types of vehicles excluded from coverage.
- b. The definition of pollutant is added to specify the forms of irritants and contaminants that fall within the definition of pollutant.

2. Under Coverage E, each covered building or structure must be listed on the Declarations or a separate schedule and a separate limit must be shown for each building or structure covered. Now your policy will cover new construction up to a limit of \$50,000 for a period of 60 days if the structure is not otherwise covered under the policy. An additional premium applies from the date construction begins or materials are delivered.
3. Under Coverage F, each covered item or class of items must be listed on the Declarations or a separate schedule and a separate limit must be shown for each item or class of items covered.

All scheduled farm personal property is covered while on the insured premises. Some coverage is also provided while the scheduled property is away from the insured premises, regardless of the distance. In your old policy, coverage for property away from the premises may have been limited to property that was located within 100 miles of the premises.

The amount of coverage for most property away from the premises is 10% of the scheduled limit. But that 10% limitation does not apply to all types of scheduled property.

For the following types of property, the limit shown on the schedule applies whether the property is on or away from the insured premises:

Described Machinery
Machinery Not Described
Rented or Borrowed Equipment
Livestock

- a. Under Described Machinery, scheduled items are covered for the limit shown in the schedule regardless of where they are in relation to the insured premises. Under your old policy, coverage for described machinery applied only if the property was within 100 miles of the insured premises.

The additional limit for machinery that is acquired as a replacement for a scheduled item is increased from \$25,000 to \$50,000.

Newly acquired machinery is covered for its actual cash value, up to a limit of \$50,000. Under your old policy, coverage was limited to the greater of \$25,000 or 25% of the limit for machinery not described. Your new policy lists the types of property that are not covered under the Newly Acquired Property provision.

- b. Under Machinery Not Described, unscheduled machinery is

covered regardless of where it is in relation to the insured premises. Under your old policy, coverage applied only if the property was within 100 miles of the insured premises.

- c. Under Rented or Borrowed Equipment, coverage is now available for rented or borrowed property away from the insured premises. Previously there was no coverage for such property away from the insured premises. Also coverage is primary, rather than excess over the owner's insurance.
- d. Under Livestock, your new policy provides coverage for individually scheduled livestock and classes of livestock while on or away from the insured premises. Under your old policy, coverage applied only when livestock was temporarily removed from the insured premises.

The maximum payment on one head of livestock (other than livestock specifically insured) has been increased from \$2,000 to \$2,500.

Newly acquired livestock is covered when we are notified within 30 days of acquisition and the applicable premium is paid. Coverage is limited to 25% of the livestock limit shown on the Declarations.

- e. Under Poultry, your old policy may have provided up to 10% of the poultry limit to cover turkeys. Under your new policy, there is no coverage for poultry in heated buildings or turkeys unless specifically scheduled on the Declarations.
- f. Under Grain, coverage for grain in the open has been expanded to include loss caused by the perils of Fire or Lightning, Vehicles, Vandalism, and Theft. Your old policy may have provided coverage for grain in the open for loss caused by the peril of Fire only.

The 10% away from premises limit for grain, hay in barns, and hay in the open applies regardless of where the property is in relation to the insured premises. Your old policy may have provided this 10% limit only if the property was within 100 miles of the insured premises.

- g. Under Hay In The Open, your new policy limits coverage for each stack of hay to \$10,000 if no per-stack limit is shown on the schedule. Your old policy may not have imposed this per-stack limitation.
- h. Under Farm Products and Supplies, the 10% limit for farm products

and supplies away from the premises applies regardless of where the property is in relation to the insured premises. Your old policy may have provided this 10% limit only if the property was within 100 miles of the insured premises.

- i. When coverage is provided for computers, your new policy covers computers, related equipment, commercially purchased software, and media.
4. Coverage G applies on a "blanket" basis; scheduling of items or classes of items is not required. To trigger coverage under Coverage G, a limit must be stated on the appropriate section of the Declarations.

Under your new policy, coverage for farm personal property covered under Coverage G applies while the property is on the insured premises. When it applies, Coverage G will also be extended to the following property while away from the premises, regardless of distance:

- Grain, threshed seeds, threshed beans, hay, straw, fodder, silage, ground feed, and manufactured and compounded stock foods;
- Livestock; and
- Farm machinery, equipment, implements, tools, and supplies.

In your old policy, blanket coverage for some types of property away from the premises was limited to property that was located within 100 miles of the premises.

In your new policy, the special limit that applies to any one head of livestock is the smaller of the actual cash value of the livestock; \$2,500; or \$1,000 per horse, mule, or head of cattle under one year of age at the time of loss. Under your old policy, the value of livestock was limited to \$2,000 per head.

Under your old policy, several classes of farm products in the open, including grain, hay, and certain unharvested crops, were covered only for loss caused by fire. Under your new policy, grain in the open is covered for loss caused by the perils of Fire or Lightning, Vehicles, Vandalism, and Theft. Hay, straw, and fodder in the open are covered for loss caused by the perils insured against. Unharvested farm products in the open, including barley, corn, and sunflowers, are covered for loss caused by the peril of Fire or Lightning. Coverage for these classes of property in the open is limited to 10% of the Coverage G limit. Hay, straw, and fodder in the open are also subject to a \$10,000 per-stack limit.

Under your new policy, the list of property not covered under Unscheduled Farm Personal Property is expanded to include nursery stock, irrigation

equipment, and sawmill equipment.

5. Under Property Not Covered Under Coverages E, F, or G:
 - a. Your new policy clarifies that devices, accessories, or antennas on or in a vehicle or watercraft are covered only when specifically scheduled on the Declarations or permanently installed by the manufacturer or dealer.
 - b. Language was added to your new policy to make it clear that contraband, land (including the land on which covered property is located), underground water, and surface water are not covered.
 - c. The following property is not covered under the Farm section of your new policy unless specifically scheduled on the Declarations: private power and light poles; wells and well pumps; irrigation systems; and outdoor antennas.

6. Under the Incidental Coverages:

- a. The Emergency Removal provision has been expanded to provide coverage for all risks of loss that are not otherwise excluded by the policy when covered property is removed from the premises to prevent loss from an insured peril.

Under your old policy, coverage for removed property was provided on a named perils basis. The towing charge for mobile homes has been increased from \$100 to \$250.

- b. The Debris Removal provision now includes the cost to remove volcanic ash, dust, or particulate matter that caused direct physical loss to covered property.

However, the Debris Removal limits have been capped as follows: 1) for property covered under Coverages E and F, up to 25% of the limit that applies to the damaged property may be applied to cover the cost of removing the debris of that property; 2) for property covered under Coverage G, up to 5% of the Coverage G limit may be applied to cover debris removal.

If the covered loss plus the cost of debris removal is more than the applicable limit under Coverages E, F, or G, up to an extra 5% of the applicable limit will be paid to cover the cost of debris removal.

- c. A new provision called Pollutant Clean Up and Removal has been

added to cover expenses incurred to remove pollutants that contaminate land or water on the insured premises. The release of the pollutants must be caused by an insured peril. The most we pay for all expenses during a twelve month period is \$10,000.

- d. A new provision called Property In the Custody of a Common or Contract Carrier has been added to cover loss to covered property while in the custody of a common or contract carrier. The loss must be caused by an insured peril. The most we pay for loss is \$1,500 unless a higher limit is selected.
 - e. A new provision called Signs has been added to cover loss caused by an insured peril to outdoor signs. We pay up to \$500 unless a higher limit is selected.
 - f. A new provision called Glass Breakage in Cabs has been added to cover glass breakage in cabs of farm machinery. We pay up to \$500 unless a higher limit is selected.
 - g. A new provision called Farm Operations Records has been added to cover expenses incurred to reproduce, replace, or restore records damaged by an insured peril. We pay up to \$2,500 unless a higher limit is selected.
 - h. A new provision called Extra Expense is described in your policy, but this coverage applies only if a limit is shown on the Declarations. Extra expense coverage pays for expenses incurred to resume farming operations following a loss to covered property by a peril insured against.
7. Under Perils Section - Coverages E, F, and G:
- a. The following additional perils now apply to covered farm buildings and/or farm personal property: Sinkhole Collapse, Volcanic Action, Earthquake Loss to Livestock, Flood Loss to Livestock, and Loading and Unloading Accidents that result in loss to livestock.
 - b. The peril of Windstorm or Hail now excludes loss to dairy and farm products (other than hay, straw, or fodder) while outside buildings. Under your old policy, coverage for loss caused by the peril of Windstorm or Hail excluded loss to hay, straw, and fodder while outside buildings.
 - c. The peril of Aircraft does not provide coverage for loss caused by chemical overspray.
 - d. The peril of Vehicle does not provide coverage for damage to

livestock caused by contact with a vehicle. Coverage for this type of loss is found under the peril of Collision.

- e. Under your new policy, there is no coverage for loss by theft due to unauthorized transfer of property or due to voluntary parting with property through fraud or false pretense, including the acceptance of counterfeit money, unpaid checks, or illegally used credit cards.

Your new policy also excludes theft from a building or structure under construction until the building is occupied for its intended use.

Theft from premises that have been vacant for 30 days was not covered under your old policy. That exclusion doesn't apply under your new policy, but there are new restrictions that apply to vacant premises.

- f. For covered machinery, the peril of Collision does not cover loss or damage caused by contact between a tractor and implement during towing, hitching, or unhitching. Your old policy did not exclude coverage for this loss. Your new policy also excludes loss or damage to farm machinery used in any speed contests and loss or damage caused by contact with the ground that is not the result of overturn.

Under your old policy coverage for such losses were not specifically excluded. Under your old policy, loss caused by the impact of farm machinery with objects below the ground and loss caused by falling objects were excluded. Under your new policy, coverage for loss or damage to farm machinery caused by contact with the roadbed or ground (that is not the result of overturn of the machinery) is provided subject to a \$1,000 per occurrence deductible.

For covered livestock, the peril of Collision has been expanded to provide coverage for 1) collision or overturn of the vehicle transporting livestock that results in the death of livestock; and 2) death of covered livestock caused by the livestock being struck by a vehicle.

- g. The Electrocution of Livestock peril does not cover exposure to stray voltage that does not result in the immediate death of the livestock.

8. Loss Settlement Provisions

Under your new policy, when the Declarations indicates that either the

coinsurance clause or the pro rata distribution clause applies to property covered under Coverage F, the indicated clause will apply for the following classes of scheduled farm personal property: machinery not described; poultry; grain; hay in barns; hay in the open; and farm products and supplies.

Your old policy imposed a coinsurance provision, it applied to the following scheduled classes: farm produce and supplies; mobile machinery; poultry; and livestock. The coinsurance clause no longer pertains to livestock under your new policy.

9. Under Other Limitations, a provision entitled Electronic Data Processing Software and Media limits our maximum payment to the cost to replace software with a prepackaged program and replace media in blank form.

C. Additional Policy Conditions and Property Coverage Terms - The section of your policy that addresses the five common conditions that apply to both property and liability coverage, as well as additional policy terms that apply to all property coverages is called "Additional Policy Conditions and Property Coverage Terms". The form number is FO-20.

1. Under Additional Policy Conditions Applicable to All Coverages, a new condition called Examination of Books and Records has been added. This provision allows us to exam or audit your records, as they relate to this policy, during the policy period and within three years after the policy expires.
2. Under General Exclusions:
 - a. Both your previous policy and your renewal policy exclude loss to covered property caused by certain events, such as war and water damage. Your renewal policy specifies that these exclusions apply whether or not an extensive area suffers damage from or is affected by the excluded cause or event.
 - b. Under your renewal policy, the water exclusion pertains to:
 - flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these;
 - water that backs up through or overflows from sewers, drains, or sumps; and
 - water below the surface of the ground.

Your renewal policy specifies that this excluded water encompasses tidal wave, tsunami, tides, tidal surge, storm surge, storm tide, and water that overtops, escapes from, is released from

or is otherwise discharged from a dam, levee, or other device or feature designed or used to retain, contain, or control water.

Your renewal policy also specifies that the water exclusion applies regardless of the cause of the excluded event, whether or not that cause is an act of nature.

Finally, your renewal policy specifies that the exclusion encompasses matter present in water and that 'matter present in water' includes matter carried or otherwise moved by water.

- c. A Weather Conditions exclusion has been added to make it clear that we do not pay for loss which results from weather conditions that initiate or contribute to losses already excluded.
- d. A Virus or Bacteria exclusion has been added to emphasize that loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress is not covered under your policy.

3. Under What You Must Do In Case of Loss:

- a. The Repairs provision now states that we will not pay for repairs or emergency measures on property that has not been damaged by a peril insured against.
- b. Your obligation to show us damaged property, as stated within the Other Duties provision, has been expanded to allow us to take samples of the damaged property. The requirement for showing records and receipts that verify loss of rents and additional living costs has been expanded to permit copying those records and receipts.

4. Under How Much We Pay for Loss or Claim:

- a. The Deductible provision has been revised to indicate that the deductible applies separately at each location. When an occurrence affects two or more items at the same location with different deductible amounts, only the highest deductible will apply.
- b. A new provision called Loss to Parts has been added to specify that we pay only for the value of a lost or damaged part when there is loss to an item that consists of multiple parts.
- c. A new provision called Vacancy or Unoccupancy states that when a

location shown on the Declarations is vacant or unoccupied for a period of 120 days or more, the limits that apply to buildings and their contents at the vacant or unoccupied location will be reduced by 50%. Other provisions of your policy already address special restrictions that apply when property has been vacant or unoccupied for shorter periods of time.

5. Under Other Conditions:
 - a. A new Livestock condition states that loss to livestock means the death or destruction of the livestock caused or made necessary by a covered peril. When the policy includes coverage for loss caused by theft, loss to livestock includes theft loss.
 - b. A new Volcanic Action condition states that all volcanic action that occurs within a 168-hour period will be treated as a single occurrence.
- D. Farm Liability Coverages - The section of your policy that addresses liability coverage for your personal and farming activities is called "Personal Liability Coverage (Farm)". The form number is GL-2.
1. Under Definitions:
 - a. The definition of Bodily Injury is revised to clarify that bodily injury does *not* include mental or emotional injury, suffering, or distress that is not a direct result of a physical injury.

Also, bodily injury does not include the harm that may result from controlled substances. Controlled substances include (but are not limited to) cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs. The restriction in your new policy for controlled substances does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
 - b. The definition of Occurrence now includes the requirement that the accident must result in bodily injury or property damage during the policy period.
 - c. The definition of Pollutant now includes reference to electrical, magnetic, and sound emissions.
 2. Under the Incidental Coverages:
 - a. The Contracts and Agreements provision no longer makes

reference to a warranty of goods and products.

- b. The terms of the Motorized Vehicles provision that address vehicles used mainly to service the premises have been amended to exclude liability which results from a motorized vehicle that you own (other than a golf cart) while used for recreational purposes away from the insured premises.
 - c. A provision called Custom Farm Work has been added to provide limited coverage for liability arising out of farming that you do for others. This coverage applies only to the extent that your receipts from the custom farm work do not exceed \$5,000 in the 12 months before the loss. Coverage is not provided for liability arising out of the application of pesticides or herbicides. Under Exclusions that Apply to Coverages L and M, an exclusion has been added to make it clear that we do not provide coverage for custom farm work that falls outside the limited coverage described under the Incidental Coverages.
 - d. The terms of the watercraft provision have been amended to include coverage for watercraft which is powered by inboard or inboard/outboard motors which total 50 horsepower or less only when such watercraft are not owned by the insured. Coverage for such watercraft owned by the insured is still available for an additional premium.
3. Language has been added to the introduction of the Exclusions to make it clear that no coverage applies if a loss is caused by an excluded event.
 4. Under Exclusions That Apply to Coverages L and M:
 - a. An exclusion has been added to make it clear that we do not pay for bodily injury or property damage resulting from the use of animals (other than horses) in stunt activities or contests.
 - b. The intentional acts exclusion has been revised to make it clear that we do not exclude bodily injury that arises out of the use of reasonable force to protect people or property.
 - c. The pollution exclusion has been revised to make it clear that we do not exclude bodily injury and property damage resulting from fire set to burn crop stubble or vegetation. A separate exclusion has been added to make it clear that we do not pay for any loss, cost, or expense associated with demands, requests, or orders to respond in any way to the effects of pollutants.

- d. The exclusion pertaining to discharge of substances from an aircraft now applies to bodily injury and property damage. Previously, the exclusion applied only to property damage.
 - e. The farm employee exclusion has been revised to make it clear that it does not apply to bodily injury resulting from a neighborly exchange of assistance.
5. Under Additional Exclusions That Apply Only to Coverage L, the exception to the exclusion pertaining to damage to property that is rented to, occupied by, or in the care of an insured has been revised so that liability for damage to farm premises and farm property caused by fire, smoke, or explosion is now covered.
 6. An additional exclusion clarifies that your policy does not apply to damages awarded under the Migrant and Seasonal Agricultural Worker Protection Act or awarded under any law or regulation pertaining to that Act.
 7. Under What You Must Do in Case of Loss, a new provision called Other Duties - Damage to Property of Others sets forth the requirements that apply when a claim is made under the Incidental Coverage provided for Damage to Property of Others.
 8. Under Conditions, a provision called Policy Period has been added to make it clear that only losses occurring during the policy period are covered.