

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BASIC FARM PREMISES LIABILITY**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Subject to the provisions of this endorsement, insurance under the Commercial General Liability Coverage Form applies with respect to liability arising out of the ownership, use or maintenance of "farm premises". The terms ownership, use or maintenance include operations necessary or incidental to ownership, use or maintenance.

#### **A. Coverage A – Bodily Injury And Property Damage Liability**

1. Exclusion 2.a. is replaced by the following:

**a. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured even if the resulting "bodily injury" or "property damage":

- (1) Is of a different kind, quality or degree than initially expected or intended; or
- (2) Is sustained by a different person, entity, real or personal property, than initially expected or intended.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Under Exclusion 2.f., the following exception is added to Subparagraph (1)(a):

(iv) "Bodily injury" or "property damage" caused by heat, smoke or fumes from a fire, if the fire:

- i. Is set by the insured on the "farm premises"; and
- ii. Is set for the purpose of burning off crop stubble or other vegetation and is consistent with normal and usual agricultural practice; and
- iii. Is not set in violation of an ordinance or law.

3. The following exception is added to Exclusion 2.g.:

(6) An "auto" or item of "mobile equipment" involved in an "occurrence" on the "farm premises" and not subject to motor vehicle registration by reason of:

(a) Use exclusively on the "farm premises"; or

(b) Being kept in dead storage on the "farm premises".

4. Exclusion 2.i. does not apply to operations necessary or incidental to the ownership, use or maintenance of the "farm premises".

5. Unless the Declarations specify otherwise, the following exclusions are added:

q. "Bodily injury" or "property damage" arising out of the ownership, use or maintenance of any part of the "farm premises" that is:

- (1) Used for nonagricultural business purposes; or
- (2) Rented to others or held for rental by an insured for nonagricultural business or dwelling purposes.

This exclusion does not apply to:

- (1) A residence rented to a person who occupies and farms the "farm premises"; or
- (2) A residence occupied by no more than two roomers or boarders.

r. "Bodily injury" or "property damage" arising out of the ownership, use or maintenance of:

- (1) Farm tools, farm tractors and trailers under contract to others for a charge;
- (2) Draft animals or vehicles used with them:

(a) Under contract to others for a charge; or

(b) Used for route delivery; or

(3) Saddle animals:

(a) Rented to others by or for an insured; or

(b) Used in practicing for or participating in any exhibition or contest.

- s. "Property damage" arising out of any substance released or discharged from any aircraft.
- t. "Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services.

**B. Coverage C – Medical Payments**

The following is added to Paragraph 2. **Exclusions:**

- h. To any person engaged in work usual or incidental to the maintenance or use of the "farm premises".

The only exceptions to this exclusion are in "occurrences" of "bodily injury" sustained by a person on the "farm premises" in a neighborly exchange of assistance for which the insured is not obligated to pay any money.

**C. Chemical Drift Liability Coverage** is added to the Commercial General Liability Coverage Form as Coverage M, as described and limited in 1. through 5. below.

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages for physical injury to crops or animals if:
  - (1) The injury was caused by discharge, dispersal, release or escape into the air, from the "farm premises", of the chemicals, liquids or gases that the insured has used in normal and usual agricultural operations; and
  - (2) The chemicals, liquids or gases entered into the air by some means other than discharge, dispersal, release or escape from aircraft.

The term physical injury does not include any indirect or consequential damages such as loss, at any time, of market for crops or animals or of use of soil or animals.

This coverage applies only to physical injury that occurs during the policy period. The physical injury must be caused by an "occurrence". The "occurrence" must take place in the "coverage territory".

- b. We will have the right and duty to defend the insured against any "suit" seeking damages for covered physical injury. However, we will have no duty to defend the insured against any "suit" seeking damages for physical injury to which this insurance does not apply. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result.

But:

- (1) The amount we will pay for damages is limited as described below in 3., Aggregate Limit of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable Aggregate Limit of Insurance in the payment of judgments or settlements under Chemical Drift Liability Coverage.

As used in this Coverage M, the term "suit" means a civil proceeding in which damages because of physical injury to which such Coverage applies are alleged.

"Suit" includes:

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

- c. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph 1. of Supplementary Payments.

**2. Exclusions**

**Chemical Drift Liability Coverage** does not apply to:

- a. Any loss, cost or expense arising out of any:
  - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants"; or
  - (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, chemicals, liquids or gases.

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

- b. Physical injury to crops or animals arising out of agricultural operations which are in violation of an ordinance or law.
- c. Physical injury to crops or animals expected or intended from the standpoint of the insured.

- d. Physical injury to crops or animals for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract", provided the physical injury occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

With respect to Chemical Drift Liability Coverage, Paragraph f. of the "insured contract" definition is deleted and replaced by the following:

- f. That part of a contract or agreement pertaining to your "farming" operations (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay a third person or organization for physical injury to crops or animals. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

However, Paragraph f. above does not include that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing.

- e. Physical injury to crops or animals you own, rent or borrow.

**3. Aggregate Limit Of Insurance** for Chemical Drift Liability Coverage: \$25,000

- a. Our total liability for Coverage **M**, Chemical Drift Liability Coverage, is the Aggregate Limit of Insurance stated above, unless a different Aggregate Limit of Insurance is stated for Coverage **M** in the Declarations.
- b. The stated Aggregate Limit of Insurance applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit of Insurance.

- c. Therefore, the stated Aggregate Limit of Insurance is the most we will pay for the applicable period of time as described in b. above, **regardless of the number of:**

- (1) "Occurrences";
- (2) Insureds;
- (3) Claims made or "suits" brought; or
- (4) Persons or organizations making claims or bringing "suits".

**4. Section IV – Commercial General Liability Conditions** applies to Chemical Drift Liability Coverage.

- 5. Words and phrases** (except "suit") used in this Chemical Drift Liability Coverage have meaning as defined in Section **V – Definitions**. Section **V** includes the defined terms added in this endorsement.

**D. Section II – Who Is An Insured**

Paragraph **1.** is replaced by the following:

- 1. If you are designated in the Declarations as:**
  - a. An individual, you are an insured; and, if they are members of your household, your spouse, and your and your spouse's relatives who are under the age of 21 are also insureds.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your "farming" operations.
  - c. A limited liability company, you are an insured. 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.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. 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.

**E. Section IV – Commercial General Liability Conditions**

The following is added to the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition:

We have no duty to provide coverage under this policy if failure to comply with the duties described in this Condition is prejudicial to us.

**F. Section V – Definitions**

- 1. The following definitions** are added:

- a. "Custom farming" means performance of specific planting, cultivating, harvesting or similar specific "farming" operations by an insured, at a farm that is not a "farm premises", when the performance is for, and under the direction or supervision of, the owner or operator of the farm or the authorized representative of the owner or operator.

But "custom farming" does **not** mean:

- (1) Operations conducted at a premises rented to, leased to or controlled by an insured;
- (2) Operations for which no compensation in money or goods is received; or
- (3) A neighborly exchange of services.

- b. "Farming" means the operation of an agricultural or aquacultural enterprise, and includes the operation of roadside stands, on your "farm premises", maintained solely for the sale of farm products produced principally by you. Unless specifically indicated in the Declarations, "farming" does not include:

- (1) Retail activity other than that described above; or
- (2) Mechanized processing operations.

- c. "Farm premises" means the location identified as such in the Declarations and operated for "farming" purposes, and includes the following, provided they are not used or held for rental or for business purposes other than "farming":

- (1) Buildings used as residences;
- (2) Garages;
- (3) Stables; and
- (4) Individual or family cemetery plots or burial vaults.

- 2. The "Your product" definition is deleted and replaced by the following with respect to coverage provided by this endorsement:

"Your product":

- a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You; or
  - (b) Others trading under your name; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include property rented to or located for the use of others but not sold.

- 3. The definitions of "employee", "leased worker", "temporary worker" and "volunteer worker", as shown in Section V – Definitions of the Commercial General Liability Coverage Form, do not apply to the insurance provided under this endorsement.

### G. Additional Coverage – Custom Farming

- 1. Insurance under the Commercial General Liability Coverage Form also applies with respect to liability arising out of the insured's performance of or failure to perform "custom farming" operations.

But this Additional Coverage will apply only if your receipts during the 12 months immediately preceding the date of the "occurrence" from such "custom farming" operations do not exceed \$5,000.

- 2. Exclusions 2.j.(4) and (6), 2.i. and 2.m. under Coverage A do not apply with respect to this Additional Coverage as described and limited in G.1. above.