



**OREGON MUTUAL INSURANCE COMPANY  
DISRUPTION OF FARMING OPERATIONS  
(INCOME LOSS AND EXPENSE COVERAGE)**

M2809F (9-07)

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

This endorsement modifies insurance provided under the following:

- CAUSES OF LOSS FORM – FARM PROPERTY
- FARM PROPERTY – BARNs, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM
- FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
- MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

**SCHEDULE\***

"Insured Location" No.	Description of Farming Operation(s)**	Description of Property	Limit of Insurance	Covered Causes of Loss (Basic, Broad or Special)	Extended Period of Indemnity Option
SAMPLE					No. of Days:
<p>*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p> <p>**Including rental of farm building(s) if such rental is specified in this Description of Farming Operation(s).</p>					

**A. Coverage**

As used in this endorsement, the term farming operations means only those farming operations that are described in the Schedule, including rental of farm building(s) if such rental is specified in the Schedule.

If a Covered Cause of Loss causes direct physical loss to the farm buildings, machinery, supplies, or equipment described in the Schedule and located at or pertaining to an "insured location" shown in the Schedule, and if such loss necessitates disruption of your farming operations at that location, we will pay the following with respect to such disruption:

1. Reduction in net profit or increase in net loss (before income taxes);
2. Continuing normal operating expenses incurred, including payroll;
3. Actual and necessary expenses you incur to resume normal farming operations; and
4. Actual and necessary expenses you incur to repair or replace damaged property, but only to the extent that such expenses reduce the amount of loss that otherwise would have been payable under this endorsement.

**B. Resumption Of Farming Operations**

In the event of loss or expense to which insurance under this endorsement may apply, if you intend to continue your farming operations you must resume all or part of your farming operations as quickly as possible.

**C. Period Of Restoration**

1. The coverage described in Paragraph **A.** above begins on the date of direct physical loss or damage and ends on the date when the damaged property can be expected, with reasonable speed, to be repaired, rebuilt, or replaced with property of similar kind and quality. The expiration date of this policy will not cut short the period of restoration.
2. With respect to the time needed for repair, rebuilding or replacement of property, the period of restoration does not include extension of such time due to the enforcement of any ordinance or law that:
  - a. Regulates the construction, use or repair of any property;

- b. Requires the tearing down of any property; or
  - c. Requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- D.** With respect to any one period of restoration, as described in Paragraph **C.1.** above, the most we will pay for the total of covered losses and expenses is the Limit of Insurance shown in the Schedule.

**E. Additional Coverages**

**1. Loss And Expense Due To Emergency Prohibition Against Occupancy**

We will also pay for the losses and expenses described in Paragraphs **A.1.** through **A.4.** above if action of civil authority prohibits access to an "insured location" shown in the Schedule, provided that:

- a. The prohibition is due to direct physical loss of or damage to property at a neighboring premises; and
- b. The loss is caused by a Covered Cause of Loss.

Period of application: This additional coverage applies for a period of up to three consecutive weeks from the start of the prohibition but only while access is actually prohibited.

With respect to any one period of application as described in the paragraph above, the most we will pay for the total of covered losses and expenses is the Limit of Insurance shown in the Schedule.

**2. Extended Income Loss Coverage**

We will pay for loss described in Paragraphs **A.1.** and **A.2.** above, that you incur during the period that:

- a. Begins on the date:
  - (1) Property described in the Schedule is actually repaired, rebuilt or replaced; and
  - (2) Your farming operations at the "insured location" are resumed; and
- b. Ends on the earlier of:
  - (1) The date you could restore your farming operations with reasonable speed, to the condition that would have existed if no direct physical loss or damage had occurred; or
  - (2) 30 consecutive days after the date in Paragraph **E.2.a.** above.

Loss must be caused by direct physical loss or damage to the described property at the "insured location" caused by or resulting from a Covered Cause of Loss.

**F. Limit Of Insurance**

The most we will pay under this endorsement for loss in any one occurrence is the Limit of Insurance shown in the Schedule.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Loss and Expense Due to Emergency Prohibition Against Occupancy; or
- 2. Extended Income Loss Coverage.

**G.** The Covered Causes of Loss indicated in the Schedule are the only Covered Causes of Loss applicable to the coverage provided by this endorsement.

**H. Exclusions**

The following exclusions apply in addition to those in the Causes of Loss Form – Farm Property and Mobile Agricultural Machinery And Equipment Coverage Form:

- 1. We will not pay for loss caused by or expense incurred due to suspension, lapse or cancellation of any lease, contract or order.
- 2. We will not pay for loss caused by or expense incurred due to contamination, by disease, of any farm building or any part of farm buildings, machinery, supplies, or equipment.

**I.** Under Covered Causes of Loss and Exclusions in the Causes Of Loss Form – Farm Property and Mobile Agricultural Machinery And Equipment Coverage Form, references to loss or damage also apply to expense.

**J. Loss Determination**

**1.** Applicable to loss described in Paragraphs **A.1.** and **A.2.:**

- a. The reduction in net profit or increase in net loss will be determined based on the net income from the farming operations before the direct physical loss or damage occurred, and the likely net income if no loss or damage had occurred.
- b. The amount of operating expenses, including payroll expenses, will be determined based on those necessary to restore farming operations to the same degree of efficiency that existed just before the direct physical loss or damage occurred.
- c. With respect to Paragraphs **J.1.a.** and **b.** above, the amount otherwise payable will be reduced to the extent that you can resume farming operations, in whole or in part, by using damaged or undamaged property at the "insured location" or elsewhere.

2. Applicable to expense described in Paragraphs **A.3.** and **A.4.:**

- a. The amount of actual and necessary expenses will be determined based on:
- (1) Expenses that exceed the normal expenses that you would have incurred for farming operations during the period of restoration if no direct physical loss or damage had occurred.  
Upon resumption of farming operations, we will deduct the salvage value that remains of any property bought for temporary use during the period of restoration.
  - (2) Expenses that reduce net income losses that you would otherwise have sustained.
- b. With respect to Paragraph **J.2.a.** above, the amount otherwise payable will be reduced to the extent that you can return farming operations to normal and discontinue such expenses.

3. Applicable to all loss and expense described in Paragraph **A.:**

- a. The amount payable under this endorsement will also be determined based on other relevant sources of information, including:
- (1) Your financial records and accounting procedures;
  - (2) Bills, invoices and other vouchers; and
  - (3) Deeds, liens and contracts.
- b. If you do not resume the farming operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume the farming operations as quickly as possible.

**K.** No deductible applies to the coverage provided by this endorsement.

**L. Optional Coverage – Extended Period Of Indemnity**

If a number is shown in the Schedule under Extended Period of Indemnity Option, the number 30 in Paragraph **E.2.b.(2) – Extended Income Loss Coverage** is replaced by the number shown in the Schedule.

SAMPLE