

**OREGON MUTUAL INSURANCE COMPANY
COMMERCIAL LINES MANUAL
DIVISION FOUR – FARM
RULES**

SECTION I – GENERAL RULES

1. APPLICATION OF THIS DIVISION

A. Contents

Division Four contains the rules, rates, and rating procedures for the Farm Coverage Part.

B. Sections

This Division is divided into separate sections for:

1. Section I – General Rules
2. Section II – Basic Coverage Form Rules
3. Section III – Inland Marine
4. Section IV – Additional Oregon Mutual Rules

C. Rule Exceptions

Refer to State Rule Exception pages for any exception to the rules in this Division.

D. Rate Exceptions

Refer to State Rate pages for any exception to the rates in this Division.

E. Statistical Codes

Most statistical codes are shown with the rates or in the specific rules. For statistical codes not shown, refer to the Farm module of the Commercial Statistical Plan.

2. REFERRALS TO COMPANY

Refer to company for:

- A. Any applicable rating plan modification.
- B. Rating or classifying any risk or exposure for which there is no manual rate or applicable classification.

3. EFFECTIVE DATE

The date shown on the bottom of the manual page is a printing date and not necessarily the effective or distribution date.

4. POLICY TERM

- A. Policies may be written for a specific term up to one year.
- B. A policy may be renewed by renewal certificates or by use of a Farm Coverage Part Renewal Endorsement. When renewal certificates are used, they must conform in every respect to current rules, rates and forms at the time of renewal.

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5. RESERVED FOR FUTURE USE

6. FACTORS OR MULTIPLIERS

Factors or multipliers are to be applied consecutively and not added together unless otherwise specified.

7. ROUNDING PROCEDURE

A. Rates

Round rates, factors and multipliers after the final calculation to three decimal places. Five tenths or more of a mill shall be considered one mill, for example, .1245 = .125.

B. Premium

Round the premium for each coverage and cause of loss for which a separate premium is calculated, to the nearest whole dollar. Round a premium involving \$.50 or over to the next higher whole dollar.

8. POLICY WRITING MINIMUM PREMIUM

Refer to State Rule Exception pages.

9. ADDITIONAL PREMIUM CHANGES

A. Calculation Of Premium

1. Prorate all changes requiring additional premium.
2. In computing the additional premium in all cases, including additional locations or for additional causes of loss, apply the rates and rules in effect on the effective date of the policy or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date. The additional premium developed is not in addition to any applicable policy writing minimum premium.

B. Waiver Of Premium

No additional premiums will be waived.

10. RETURN PREMIUM CHANGES

A. Premium Computation

1. Compute return premium at the rates used to calculate the policy premium.
2. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced. Retain the policy writing minimum premium.

B. Waiver Of Premium

No return premiums will be waived.

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11. POLICY CANCELLATION

A. Pro Rata Calculation

Compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:

1. At the company's request.
2. Because the insured no longer has a financial or insurable interest in the property or business operation that is the subject of insurance.
3. And rewritten in the same company or company group.
4. After the first year for a prepaid policy written for a term of more than one year.

B. Other Calculations

If Paragraph **A.** does not apply, compute return premium as follows:

1. Continuous And Annual Premium Payment Policies

Compute return premium pro rata of the unearned premium.

2. Prepaid Policies

If cancelled during the first year, compute the return premium pro rata of the unearned premium.

3. Policies With A Term Of Less Than One Year

Compute return premium pro rata of the unearned premium and round to the next higher whole dollar.

12. RESERVED FOR FUTURE USE

13. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Policies may be issued with special restrictions or at increased premiums if:

- A. The insured agrees in writing; and
- B. The policy would not be written otherwise.

14. DEFINITIONS

A. Construction And Roof Type

1. Construction

a. Frame

Exterior walls of wood or other combustible materials, including walls with metal, metal lath and plaster or stucco; or any building with combustible insulation, including plastic sheathing.

b. Masonry

Including masonry veneer - exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).

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14. DEFINITIONS (Cont.)

A. 1. c. **Non-Combustible**

Exterior walls, floors and roof constructed of, and supported by metal, asbestos, gypsum or other non-combustible materials.

d. **Fire-Resistive**

Exterior walls, floors and roof constructed of masonry or other fire-resistive materials.

e. **Mixed (Masonry/Frame)**

A combination of both frame and masonry construction shall be classified and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise classify and code as masonry.

f. **Log Home**

Exterior walls constructed of logs.

2. **Roof Type**

a. Composite Asphalt Shingle (Code C)

b. Eco-Shake (Code E)

c. Fiberglass (Code F)

d. Tar and Gravel (Code G)

e. Metal (Code M)

g. Concrete (Code O)

h. Copper (Code P)

i. Composition Rolled (Code R)

j. Slate (Code S)

k. Tile (Code T)

m. Wood Shingle/Shake (Code W)

n. All Other (Code L)

B. **Farming And Ranching**

Farming and ranching means:

1. The growing and marketing of:

a. Field crops, fruits, mushrooms, nuts or vegetables.

b. Flowers, greenhouse or nursery stock or sod.

2. The raising or keeping of bees, fur bearing animals, livestock (other than commercial feed lots), poultry or worms.

3. The conducting of aquaculture.

C. **Farm Property**

Farm property means:

1. Dwellings, garages, barns, granaries, other outbuildings and structures, including permanently attached fixtures and equipment.

a. Dwelling means a building used principally for residential purposes and includes mobile homes and modular and prefabricated homes.

b. Barn or stable means any building used for housing livestock or storing hay, straw or fodder.

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14. DEFINITIONS (Cont.)

- C. 1. c. Outbuilding means a building not otherwise defined used in agricultural operations. Examples are implement sheds, grain storage structures, offices and milk houses.
- d. Silo means a structure used for storage of silage of all types.
- 2. Household goods.
- 3. Equipment, supplies and products of farming or ranching operations, including but not limited to feed, seed, fertilizer, livestock, poultry, bees, fish and other animals, grain, produce and agricultural machinery.
 - a. Livestock means cattle, sheep, swine, goats, horses, mules and donkeys.
 - b. Mobile agricultural equipment means all types of farm implements, machinery and equipment excluding items held for sale, repair, consignment or being manufactured.
 - c. Grain means threshed seeds, threshed beans, silage, ground feed, manufactured and blended livestock feed.
 - d. Hay, straw and fodder means grass or other plants cut and dried for use as animal food or bedding.

15. RESERVED FOR FUTURE USE

16. RESIDENT AGENT COUNTERSIGNATURE

If a resident agent's countersignature is required by state law, use Resident Agent Countersignature Endorsement **IL 09 17** unless state law prohibits use of such an endorsement, or so restricts such use as to make it inappropriate.

17. CHANGES IN RATES, RULES AND FORMS

A. General Revisions

1. Explanation

A general revision is a:

- a. Revision in rules or forms; or
- b. Rate revision applying to one or more classes, including rate schedule changes and changes due to reclassification of a community or district.

2. Application To Existing Policies

General revisions to rates and rules do not apply to policies existing prior to the effective date of the revision, except that:

- a. At the request of the insured, policies may be adjusted by policy change effective on the next anniversary date to incorporate a general revision.
- b. Policies may be cancelled and rewritten at reduced rates resulting from a general revision if the changes are to take effect on other than a policy anniversary date. Refer to Rule **11**.

B. Other Rate Revisions

Because of materially changed conditions, an existing rate may be inequitable. If so, a new rate may be established and policies in force may be changed. The effective date of the new rate is the date the company receives notification of the changed conditions.

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18. TRANSFER OF INSURANCE AND REMOVAL OF PROPERTY

- A. When household personal property is moved from one location to another and the insured wants to transfer his or her insurance to cover both locations during removal, the Farm Property - Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12** provides coverage for a period of thirty days.
 - B. When household insurance covering property is transferred to a location with a different rate, adjust the difference in the premium proportionally. Add all clauses and warranties applying at the new location to the policy.
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19. ELIGIBILITY

- A. Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12**, Farm Property – Farm Personal Property Coverage Form **FP 00 13** and Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14** may be written for an owner or tenant having an insurable interest in farming or ranching operations. A definition of farming or ranching is provided in Rule **14.B**.
 - B. Farm Liability Coverage Form **FL 00 20** or the Commercial General Liability Coverage Form **CG 00 01** may be written for an owner or tenant having an insurable interest in farming or ranching operations. Refer to Rules **37.** and **38.**
 - C. Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30** and Livestock Coverage Form **FP 00 40** may be written for an owner or tenant having an insurable interest in these properties. Refer to Rule **39.**
 - D. For Farm Umbrella Liability Policy **FB 00 01** or the Commercial Liability Umbrella Coverage Form **CU 00 01** eligibility, refer to the Oregon Mutual Umbrella Manual.
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20. FARM COMBINATION COVERAGE

- A. **Eligibility**
 - 1. All farms are eligible for Farm Combination dwelling rates and the Farm Combination Coverage modification factor if the following conditions apply:
 - a. A policy covering farming or ranching operations must provide property coverage for all farm dwellings, farm personal property and other farm structures owned by the insured. A specific item may be excluded on agreement between the company and the insured. If the farm dwellings, farm personal property and other farm structures are not under one ownership, they may be insured separately; and
 - b. Bodily injury and property damage liability coverage for the premises/operations of all property specified in Paragraph **A.1.a.**
 - 2. The Farm Combination coverage modification factor applies to both the property and the liability coverages under Rules **28.**, **29.**, **30.**, and **36.** Coverages **E**, **F**, **G** and Rule **37.** unless otherwise noted. Rule **36.** Coverages **A**, **B**, **C** and **D** rates already reflect the farm combination credit.
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21. BASIC FORMS

- A. Attach Common Policy Conditions Form **IL 00 17** and one or more of the following Coverage Forms as provided in the specific rules of this Division:
 - 1. Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12**
 - 2. Farm Property – Farm Personal Property Coverage Form **FP 00 13**
 - 3. Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14**
 - 4. Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30**
 - 5. Livestock Coverage Form **FP 00 40**
 - 6. Farm Liability Coverage Form **FL 00 20** (see Rule **37.A.** for amendatory forms for use with **FL 00 20**)
- B. If **FP 00 12**, **FP 00 13** or **FP 00 14** is used, also attach Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions **FP 00 90** and Causes Of Loss Form – Farm Property **FP 10 60**.
- C. If **FP 00 12** is used, attached Replacement Cost – Household Personal Property Endorsement **FP 04 36**.
- D. If **FP 00 30** or **FP 00 40** are used:
 - 1. Do not write Coverage **F** under **FP 00 13**.
 - 2. Do not write mobile agricultural machinery or equipment or livestock under Coverage **E** of **FP 00 13**.
- E. Attach Single Farm Property Per-Occurrence Deductible Endorsement **FP 03 04** if the policy includes more than one of the following property coverage forms: **FP 00 12**, **FP 00 13**, **FP 00 14**, **FP 00 30**, **FP 00 40**. Refer to Rule **24.** for a description of this endorsement.
- F. For Umbrella Coverage, refer to the Oregon Mutual Commercial Umbrella Manual.
- G. Attach Exclusion Of Certain Computer-Related Losses Endorsement **FP 10 21** to policies containing any of the Farm property coverage forms. This endorsement specifies that certain risks associated with computer or other electronic equipment failure, malfunction or inadequacy due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times are excluded from coverage.
- H. Attach **IL 00 03** Calculation of Premium to all policies.

22. RATING BASES

Unless specifically indicated, all property and inland marine rates are for each \$1,000 of insurance. Liability rates are per the indicated exposure basis shown in the State Rate pages.

23. LOCATION OF RATES AND TERRITORIES

- A. **Location Of Rates**

Refer to Rule **44.** to determine the factor applicable to the property being insured. Rates or premiums may vary by territory.
- B. **Location Of Rating Territories**

Refer to territory definitions in Rule **44.** to determine the territory and territory code applicable to the location of the property being insured.

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24. DEDUCTIBLES

The standard property damage deductible is \$250. Optional deductible amounts are available under Rule **36.C.3.d.** and Rule **36.C.6.d.** and may apply to each coverage or item separately. A full coverage option is available for livestock inland marine coverage under Rule **39.E.2.b.**

When the Farm Coverage Part includes more than one of the property coverage forms (**FP 00 12**, **FP 00 13**, **FP 00 14**, **FP 00 30**, **FP 00 40**) use Single Farm Property Per-Occurrence Deductible Endorsement **FP 03 04**. Under the terms of **FP 03 04** if the insured sustains losses, damages or expenses in excess of the Deductibles otherwise applicable under two or more of these coverage forms, only the highest applicable deductible amount will apply.

See Rule **31.** for Windstorm Or Hail Percentage Deductibles.

25. RESERVED FOR FUTURE USE

26. CHANGE ENDORSEMENT

Commercial Policy Change Endorsement **M2844** may be used to reflect mid-term changes in exposure or coverage.

27. LOSS PAYABLE PROVISIONS

A. Explanation

For situations where a third party has an interest in covered Property, the policy may be endorsed to make that party a loss payee.

Use Loss Payable Provisions Endorsement **FP 12 11** with Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12**, Farm Property – Farm Personal Property Coverage Form **FP 00 13**, Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14**, Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30** or Livestock Coverage Form **FP 00 40**.

B. Description Of Coverage

For each loss payee, indicate the appropriate provision in the Schedule of **FP 12 11**. The following provisions are available:

1. Loss Payable

When it is intended to make the loss payable jointly to the insured and a named loss payee as their interests may appear.

2. Lender's Loss Payable

To protect the interest of a named lender. This provision is applicable when a mortgage holders clause is not applicable and where the interest has been established by warehouse receipts or other suitable documentary evidence. Under this provision only, the rights of the lender are independent of any breach of condition by the insured.

3. Contract Of Sale

To be used when duplicate interests exist in property undergoing transfer by sale.

C. Charge

There is no charge for Endorsement **FP 12 11**.

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28. VALUE REPORTING ENDORSEMENT

A. Description Of Coverage

This endorsement provides a means for rating property on a value reporting basis. It is appropriate for farm property inventories that characteristically undergo seasonal fluctuations.

B. Form

1. Use Value Reporting Endorsement **FP 13 01** with Farm Property – Farm Personal Property Coverage Form **FP 00 13** or Livestock Coverage Form **FP 00 40**.

Under **FP 00 13**, only property covered under Coverage **E** is eligible for value reporting.

2. Also use Report Of Values Form **FP 13 02**. Endorsement **FP 13 02** provides a format for reporting property values and includes a summary of reporting dates. If additional writing space is needed to report property values, attach Supplemental Report Of Values Form **FP 13 03** to Endorsement **FP 13 02**.

C. Limits Of Insurance

The description of covered property and applicable Limits of Insurance must be entered in the policy Declarations. Endorsement **FP 13 01** does not modify the Limits of Insurance.

The amount of insurance carried (including other insurance) should be adequate to respond to insurance needs during the peak period.

D. Covered Property

In Part **B.** of the Schedule of **FP 13 01**, identify only the covered property which will be subject to value reporting. (Value reporting may be used for some or all of the property indicated in the Coverage **E** or **FP 00 40** Declarations.)

E. Value Reporting Options

The endorsement accommodates reports which show values as of: each day, the last day of each week or the last day of each month. Reporting periods end on: the last day of each month or each quarter, or the policy expiration date. As an alternative to the foregoing, there is an option to indicate a value-posting and reporting-period schedule suited to the exceptional risk.

Only one value posting/reporting period option may be selected. Enter the selection in Part **A.** of the Schedule of **FP 13 01**.

Regardless of the option selected, reports must be submitted to the company within 30 days of the end of each reporting period and within 30 days after termination of the policy.

F. Rating

1. Advance Premium

Advance Premium (payable at the beginning of each policy year):

- a. For Seasonal Risks Of Six Months Or Less

For each item of covered property identified in the Schedule of **FP 13 01**, multiply 40% of the applicable Limit of Insurance by the appropriate Coverage **E** final rate (Rule **36.**) or Farm Inland Marine final rate (Rule **39.**) before Fixed Expense Credit is calculated. The advance premium is the sum of the premiums for each item.

- b. For All Other Risks

For each item of covered property identified in the Schedule of **FP 13 01**, multiply 75% of the applicable Limit of Insurance by the appropriate Coverage **E** final rate (Rule **36.**) or Farm Inland Marine final rate (Rule **39.**) before Fixed Expense Credit is calculated. The advance premium is the sum of the premiums for each item.

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28. VALUE REPORTING ENDORSEMENT (Cont.)

F. 2. Final Premium

Final Premium (determined, upon receipt of the final value report due, at the end of the policy year or at termination, whichever comes first):

- a. For each item of covered property identified in the Schedule of **FP 13 01**:
From the reported value deduct the amount of any “specific insurance” applicable to that item, except to the extent that the amount of specific insurance exceeds the reported value. (“Specific insurance” is other insurance covering the property for the same causes of loss as this insurance.)
- b. For each item, add the values reported in each report, as adjusted in Paragraph **a.**; then divide the result by the number of reports to determine the average value for that item of property.
- c. Multiply each average value by the appropriate Coverage **E** or Farm Inland Marine final rate before Fixed Expense Credit is calculated, to determine the premium for each item of property. Add the resulting premiums.
- d. If the result of Paragraph **c.** exceeds the advance premium, the difference must be paid to the company. If the result of Paragraph **c.** is less than the advance premium, the difference will be paid to the insured.

If the sum of the final premium for **FP 13 01** and any other premium payable under the policy is less than the minimum policy premium, the minimum policy premium will apply.

G. Penalties

There are penalties for underreporting values and for failure to submit reports. Read the endorsement carefully.

29. FUNCTIONAL FARM PERSONAL PROPERTY, MACHINERY AND EQUIPMENT VALUATION

A. Description Of Coverage

Functional Farm Personal Property, Machinery And Equipment Valuation Endorsement **FP 04 79** provides coverage for specifically scheduled item(s) of farm personal property, machinery and equipment which can be replaced with similar property that performs the same function as currently.

Coverage is provided:

1. On a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage.
2. On a market value basis if repair or replacement is not contracted for within 180 days of the loss or damage.

B. Form

Attach Endorsement **FP 04 79** to Farm Property – Farm Personal Property Coverage Form **FP 00 13** or Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30**.

C. Rules

1. Application

This endorsement applies to Scheduled Farm Personal Property (Coverage **E**) under **FP 00 13** and to machinery and equipment coverage under **FP 00 30**.

2. Blanket Insurance

Do not write insurance on a blanket basis.

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29. **FUNCTIONAL FARM PERSONAL PROPERTY, MACHINERY AND EQUIPMENT VALUATION (Cont.)**

C. 3. **Limit Of Insurance**

Item(s) of farm personal property, machinery and equipment scheduled in this endorsement should be excluded from the Limit of Insurance established for Coverage **E** or Mobile Agricultural Machinery and Equipment.

D. **Premium Computation**

Determine the rate for the property scheduled in **FP 04 79** by multiplying the appropriate final rate by 1.25 before Fixed Expense Credit is calculated. Multiply the resulting rate by the selected Limit of Insurance. The resulting premium reflects the coverage provided by **FP 00 13** (or **FP 00 30**) and **FP 04 79**.

E. **Coverage Example**

1. The insured currently uses an antiquated tractor with an actual cash value of \$200. If the tractor was destroyed, replacement with an identical tractor would be impossible. The closest equivalent type of tractor available would cost \$3,000. Using **FP 04 79** and specifically scheduling the tractor, the insured could choose a limit of \$3,000 to have coverage for the cost of the newer tractor.
2. The insured currently uses a computer purchased 5 years ago for \$2,000. If the computer was destroyed, the cost to replace this computer with one that performs the same functions would be \$1,000, due to technological advancements. Using **FP 04 79**, and specifically scheduling the computer the insured could choose a limit of \$1,000 to have coverage for the cost of the newer computer.

30. **DISRUPTION OF FARMING OPERATIONS**

A. **Description Of Coverage**

Coverage is provided for:

1. The reduction in net profit (or increase in net loss) from disruption of specified farming operations due to damage to farm buildings, machinery, supplies or equipment at specified insured locations by a covered cause of loss; farming operations may include the rental of Coverage **G** property if specified in the endorsement;
2. Continuing normal operating expenses (including payroll);
3. Expenses incurred to resume normal farming operations; and
4. Expenses incurred to repair or replace damaged property, to the extent that such expenses reduce the amount of loss otherwise payable.

See Disruption Of Farming Operations Endorsement **M2809F** for further detail.

B. **Form**

Attach Endorsement **M2809F** to Farm Property – Farm Personal Property Coverage Form **FP 00 13**, Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14** or Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30**.

C. **Rules**

1. **Extra Expense Coverage**

When **M2809F** is used, do not activate the Extra Expense Optional Coverage described in Rule **36.D.10**. and Rule **39.G.1**. Endorsement **M2809F** includes Extra Expense Coverage.

2. **Deductible**

Coverage provided under **M2809F** is not subject to the policy deductible.

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30. DISRUPTION OF FARMING OPERATIONS (Cont.)

C. 3. Schedule

Indicate the following in the Schedule of Endorsement **M2809F** or in the Declarations:

- a. The "Insured Location" No(s). to which this coverage applies.
- b. Under Description of Farming Operations, the farming operations to which this coverage applies (including rental of farm buildings if loss of rental income is covered).
- c. Under Description of Property, the farm buildings, machinery, supplies and equipment to which disruption of farming operations applies.
- d. The applicable Limit of Insurance for Disruption of Farming Operations Coverage.
- e. The covered causes of loss applicable to Disruption of Farming Operations Coverage.
- f. If the Extended Period of Indemnity Option is elected, the number of days in the extended period.

4. Limit Of Insurance

- a. Standard coverage contemplates a Limit of Insurance, for each insured location, equal to at least 80% of the sum of the anticipated annual net income (before taxes) and operating expenses (including payroll) for the farming operations identified in the Schedule, and no others, at that insured location.
- b. The Limit of Insurance should also reflect any coverage for additional extra expenses that the insured desires.

D. Premium Computation

Compute the additional premium for each insured location as follows:

1. Multiply the Limit of Insurance (in thousands) for Disruption of Farming Operations by 1.5 times the rate for the highest-rated covered item under Coverage **E**, **F** or **G** of property shown under Description of Property in the Schedule of the endorsement or in the Declarations. Apply construction and protection modification factors as appropriate.
2. **Farm Combination Credit**
Multiply the premium developed in Paragraph **1.** by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies
3. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **2.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
4. **Persistency Credit**
Multiply the premium developed in Paragraph **3.** by the factor from Rule **36.E.1.**
5. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **4.** by the factor from Rule **36.E.2.**
6. **Loss Free Credit**
Multiply the premium developed in Paragraph **5.** by the factor from Rule **36.E.3.**
7. **Territorial Multiplier**
Multiply the premium developed in Paragraph **6.** by the factor from Rule **44.**
8. **Organic Certification Credit**
Multiply the premium developed in Paragraph **7.** by the factor from Rule **43.J.** if Organic Certification applies.

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30. **DISRUPTION OF FARMING OPERATIONS (Cont.)**

D. 9. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 8. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

E. **Extended Period Of Indemnity Option**

1. **Description Of Coverage**

Endorsement **M2809F** (Paragraph **E.2.** in **M2809F**) automatically covers income loss and continuing normal operating expenses for up to 30 days after the damaged property is restored and operations are resumed. The 30-day period may be changed to 60, 90, 120, 150, 180, 270, 360 or more days, by activating the Extended Period of Indemnity Optional Coverage (Paragraph **L.** in **M2809F**) via entry in the Schedule of the endorsement.

2. **Premium Modification**

For each insured location, multiply the result of Paragraph **D.** by the factor, from the following table, that corresponds to the revised number of days before Fixed Expense Credit is calculated:

Number of Days	Factor
60	1.10
90	1.15
120	1.20
150	1.30
180	1.40
270	1.45
1 Year	1.50

Table 30.E.2. Premium Modification Factors For Extended Period Of Indemnity Option

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31. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

A. Description

1. Percentage Deductibles

The following deductibles may be used for the Windstorm or Hail cause of loss:

- a. 1% Deductible
- b. 2% Deductible
- c. 5% Deductible

2. Specific Insurance

The dollar amount of the deductible will be equal to 1%, 2% or 5% of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

3. Coverage G – Barns, Outbuildings And Other Farm Structures – Blanket Insurance

The dollar amount of the deductible when optional endorsement Coverage **G** – Barns, Outbuildings And Other Farm Structures – Blanket Insurance **FP 04 28** is attached to Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14** will equal 1%, 2% or 5% of the values of the property that has sustained loss or damage. The values to be used are those shown in the most recent Coverage **G** – Barns, Outbuilding And Other Farm Structures Statement Of Values **FP 16 01** on file with the company.

4. Value Reporting Endorsement

Windstorm or Hail deductibles are not available for Value Reporting.

B. Form

Use Windstorm Or Hail Percentage Deductible Endorsement **FP 03 05**.

C. Rules

- 1. The Windstorm or Hail Percentage Deductibles apply whenever there is an occurrence of Windstorm or Hail.
- 2. The Windstorm or Hail deductible is calculated separately for, and applies separately to:
 - a. Each building, if two or more buildings sustain loss or damage.
 - b. The building and to personal property in the building, if both sustain loss or damage.
 - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage.
 - d. Personal property in the open.
- 3. Verify that the Statement of Values for blanket insurance under Coverage **G** in **FP 16 01** contains sufficient detail, for example value of each building, to allow implementation of the procedure in **FP 03 05**.
- 4. Percentage deductibles may vary by location. But at one location all covered property must be written using the same percentage deductible.
- 5. If some Coverage **G** property at a location is written under a blanket limit of insurance and other property at the same location is written under specific limits, all covered property at this location must be subject to the same percentage deductible.

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31. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES (Cont.)

D. Rate Modification

Use the factors in the following table:

Windstorm Or Hail Percentage Deductible Factors

Windstorm Or Hail - % Deductible	Other Than Windstorm Or Hail - \$ Deductible	Dollar Amount Of Insurance At Each Location	Factor
1%	\$ 100	Up to 100,000	1.038
	250		.963
	500		.925
	1,000		.888
1%	\$ 100	100,001 -250,000	1.013
	250		.938
	500		.900
	1,000		.863
1%	\$ 100	250,001 – 1,000,000	.988
	250		.913
	500		.875
	1,000		.838
1%	\$ 100	1,000,001 – 2,500,000	.963
	250		.888
	500		.850
	1,000		.813
1%	\$ 100	Over 2,500,000	.938
	250		.863
	500		.825
	1,000		.788
2%	\$ 100	Up to 100,000	1.025
	250		.950
	500		.913
	1,000		.875
2%	\$ 100	100,001 – 250,000	.975
	250		.900
	500		.863
	1,000		.825

Table 31.D. Windstorm Or Hail Percentage Deductible Factors

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31. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES (Cont.)

Windstorm Or Hail - % Deductible	Other Than Windstorm Or Hail - \$ Deductible	Dollar Amount Of Insurance At Each Location	Factor
2%	\$ 100	250,001 – 1,000,000	.963
	250		.888
	500		.850
	1,000		.813
2%	\$ 100	1,000,001 – 2,500,000	.938
	250		.863
	500		.825
	1,000		.788
2%	\$ 100	Over 2,500,000	.913
	250		.838
	500		.800
	1,000		.763
5%	\$ 100	Up to 100,000	.975
	250		.900
	500		.863
	1,000		.825
5%	\$ 100	100,001 – 250,000	.950
	250		.875
	500		.838
	1,000		.800
5%	\$ 100	250,001 – 1,000,000	.925
	250		.850
	500		.813
	1,000		.775
5%	\$ 100	1,000,001 - 2,500,000	.913
	250		.838
	500		.800
	1,000		.763
5%	\$ 100	Over 2,500,000	.900
	250		.825
	500		.788
	1,000		.750

Table 31.D. Windstorm Or Hail Percentage Deductible Factors

32. – 34. **RESERVED FOR FUTURE USE**

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SECTION II – BASIC COVERAGE FORM RULES

35. TYPE CLASSIFICATION OF FARM BUILDINGS

A. Requirements

Each building or structure must be classified in accordance with the following requirements and be certified by the agent, after careful inspection, as meeting all of the physical requirements of type classification.

Photographs, as requested by the company, are required for each building covered. A diagram or plat is also required and must show all buildings on the farm whether covered or not, properly identified, and with the location, size of building and distance in feet between buildings. The photographs shall be dated to show when they were taken, which must not be more than 90 days prior to the date submitted.

B. Dwellings Including Modular And Prefabricated Homes

1. Type 1

The minimum Limit of Insurance is \$75,000 for Coverage **A**; \$40,000 for Coverage **A** on prefabricated homes; and \$35,000 for Tenants.

- a. Have superior characteristics with excellent quality interior and exterior construction and be modern in every respect.
- b. Be in excellent condition (new or good as new) showing evidence of proper maintenance and good housekeeping, and with roof in excellent repair.
- c. A modern heating system (not space heaters or stoves) consisting of one of the following:
 - (1) Central heating plant consisting of a permanently installed warm air furnace, hot water, or steam plant resting on an incombustible base, and venting to a masonry lined chimney built from the ground, or to an approved factory made vent pipe; or
 - (2) A permanent modern electric heating system installed by a competent electrician in compliance with local building code requirements; or
 - (3) Rigidly piped and permanently installed, thermostatically controlled approved gas or oil fueled floor, ceiling or wall furnaces, provided that all the foregoing are vented to a masonry lined chimney built from the ground, or to a factory made vent pipe; or
 - (4) Permanently installed 220 volt electric heater listed by recognized testing laboratory and attached by a three contact plug to an electric wiring system.
- d. Continuous enclosed foundation (porches excepted).
- e. Modern interior plumbing system.
- f. Modern electrical system, in good condition, properly installed by a competent electrician in compliance with local building code requirements.
- g. Dwellings that are over 40 years old at the beginning of the policy period are not eligible for Type **1** classification and must be classified as Type **2** or Type **3**, unless they are completely updated as to circuit breakers, plumbing, heating and roof. Dwellings with shake roofs are not eligible for Type **1** classification and must be classified as Type **2** or Type **3**. Dwellings which have exterior walls constructed of logs are not eligible for Type **1** classification and must be classified as Type **2** or Type **3**.

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35. TYPE CLASSIFICATION OF FARM BUILDINGS (Cont.)

B. 2. Type 2

The minimum Limit of Insurance is \$25,000 for Coverage **A**; \$20,000 for Coverage **A** on prefabricated homes; and \$8,000 for Tenants.

- a. Have standard characteristics with good quality interior and exterior construction and modern in every respect.
- b. Be in good condition showing evidence of proper maintenance and housekeeping and with the roof in good repair.
- c. A modern heating system as outlined in Type **1** or gas or oil fired space heaters or stoves which are thermostatically controlled.
- d. Other requirements are the same as Paragraphs **1.d.**, **1.e.** and **1.f.** of Type **1**.

3. Type 3

Classify as Type **3**, all dwellings not eligible for Type **1** or Type **2** classifications.

C. Barns, Stables And Outbuildings

1. Type 1

The minimum Limit of Insurance is \$10,000.

- a. Have superior characteristics and be in excellent repair.
- b. No floor or mow above the lowest ground level and not exceeding a height of 26 feet from the lowest ground level to peak.
- c. Foundation under all exterior walls (or the two longest walls in granaries or corncribs) must be continuous and of mortared masonry or concrete construction. Buildings framed on poles of minimum six inch diameter at ground line, set a minimum of four feet below ground level, may be considered as satisfying this requirement when the poles have been pressure treated with wood preservative.
- d. Floor throughout must be incombustible.
- e. Fully enclosed with no open sheds attached.
- f. Contain no hay or straw.

Grain storage structures may be considered as complying with the requirements contained in Paragraphs **a.** through **f.** when such structures are of all metal construction (tanks, bins and quonsets) securely bolted on continuous mortared masonry or concrete foundation and are used exclusively for bulk storage of grain. Such structures written for not less than \$1,000 qualify as Type **1** (minimum \$10,000 limit is not applicable). If written for less than \$1,000, classify as Type **3**.

- g. Coverage **B** property (except that subject to the Coverage **A** Extension and private greenhouses) is categorized as Type **1**.

2. Type 2

The minimum Limit of Insurance is \$5,000.

- a. Have better than average characteristics and maintenance.
- b. Foundation under all exterior walls (or the two longest walls in granaries or corncribs) must be continuous and of mortared masonry or concrete construction. Buildings framed on poles of minimum six inch diameter at ground line, set a minimum of four feet below ground level, may be considered as satisfying this requirement when the poles have been pressure treated with wood preservative.
- c. Building must be fully enclosed. If open sheds are attached, the appropriate premium shall apply.
- d. Hay or straw storage is permitted.
- e. All metal or steel grain bins with dryers not meeting the Type **1** requirements.

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35. **TYPE CLASSIFICATION OF FARM BUILDINGS (Cont.)**

C. 3. **Type 3**

Classify as Type 3, all buildings not eligible for Type 1 or Type 2 classification, also buildings occupied or constructed for crop drying, grain grinding, seed grain cleaning and drying, alfalfa or hay chopping; private greenhouses and portable buildings, and structures.

Private greenhouses are those which are appurtenant to a dwelling and are therefore Coverage B property. Refer to Rule 36.D.5. for rate determination.

Other greenhouses can be covered under Coverage G – Barns, Outbuildings And Other Farm Structures; rate from Table 36.C. – 6 (R).

D. **Silos**

1. **Type 1**

The minimum Limit of Insurance is \$25,000.

All steel reinforced concrete construction with integral roof, foundation and walls with unloading from the bottom.

2. **Type 2**

The minimum Limit of Insurance is \$10,000.

Masonry, including tile, hollow concrete block, solid concrete stave, brick or steel or reinforced concrete not qualifying for Type 1.

3. **Type 3**

Classify as Type 3, all silos not eligible for Type 1 or Type 2 classification.

36. **FARM PROPERTY COVERAGE**

A. **Description**

1. Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12** provides first-party property damage insurance on dwellings and household personal property.

Form **FP 00 12** includes the following coverages:

- a. Coverage **A** – Dwellings
- b. Coverage **B** – Other Private Structures Appurtenant To Dwellings
- c. Coverage **C** – Household Personal Property
- d. Coverage **D** – Loss Of Use

2. Farm Property – Farm Personal Property Coverage Form **FP 00 13** provides first-party property damage insurance on farm personal property. Form **FP 00 13** includes Coverage **E** – Scheduled Farm Personal Property and Coverage **F** – Unscheduled Farm Personal Property.

3. Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14** provides first-party property damage insurance on real property usual to a farm, other than dwellings and private structures appurtenant to dwellings. Form **FP 00 14** includes Coverage **G** – Barns, Outbuildings And Other Farm Structures.

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36. FARM PROPERTY COVERAGE (Cont.)

B. Coverages

1. Coverage A – Dwellings

- a. Coverage **A** covers each residential building (including attached structures) for which a Limit of Insurance is shown in the Declarations, if owned by the named insured.

Coverage **A** includes building materials used in construction, alteration or repair of the dwelling; and equipment used to service the dwelling if such equipment is not otherwise covered in the policy.

- b. The selected Limit of Insurance must be 80% of the replacement value, for replacement cost valuation to apply.

2. Coverage B – Other Private Structures Appurtenant To Dwellings

- a. Under Coverage **B**, other private structures appurtenant to dwellings are automatically covered for an amount corresponding to 10% of the Coverage **A** Limit of Insurance. There is no separate premium charge.

- b. For Coverage **B** property with values too high to be covered automatically as described in Paragraph **a.**, refer to Paragraph **D.5**.

- c. Free-standing antennas, towers and satellite dishes, including those attached to a dwelling or other structure only by means of a fence, utility line or similar connection, can be covered under Coverage **B**. Unless otherwise specified in the Declarations, \$1,000 is the maximum amount available in any one occurrence for all antennas, towers and satellite dishes covered under Coverage **B**.

3. Coverage C – Household Personal Property

- a. Coverage is worldwide except that only 10% of the Coverage **C** Limit of Insurance (or \$1,000, whichever is greater) applies to property at an insured's secondary residence. With respect to a newly acquired principal residence, the full Coverage **C** Limit of Insurance remains in force for 30 days after moving begins, applied pro rata to old and new residence.

- b. On a tenant's policy, Coverage **C** provides coverage (10%) for improvements and alterations. The 10% limit can be increased subject to Paragraph **D.1**.

- c. For Farm Combination Coverage owners' policies, the Coverage **C** Limit of Insurance is 70% of the Coverage **A** Limit of Insurance. Attach **FP 04 36** – Replacement Cost – Household Personal Property.

- d. Certain property is subject to limits below the Coverage **C** limit. See Form **FP 00 12** for details; see Paragraphs **D.9**. for increased sublimits.

4. Coverage D – Loss Of Use

- a. Additional Living Expense, Fair Rental Value, and Loss and Expense Due to Emergency Prohibition Against Occupancy constitute Coverage **D**. No deductible applies to this coverage.

- b. The Limit of Insurance is 10% of the Coverage **A** limit (owners' policies); 20% of the Coverage **C** limit (tenants' policies). The limit for Coverage **D** can be increased subject to Paragraph **D.4**.

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36. FARM PROPERTY COVERAGE (Cont.)

B. 5. Coverages E And F – Farm Personal Property

Farm personal property may be insured under Form **FP 00 13** under Coverage **E** and/or Coverage **F**. However, items separately described and specifically covered under Coverage **E** are not covered under Coverage **F**.

a. Coverage E – Scheduled Farm Personal Property

Subject to applicable Declarations entry, specific insurance may be written on specific items, such as grain and hay, farm products, poultry, livestock, portable buildings, and farm machinery owned, borrowed or rented by the insured without a written contract.

Specific insurance on farm machinery owned by the insured requires Declarations entry of the year, make and model.

Form **FP 00 13** provides an extension of Coverage **E**, in the form of a thirty-day additional \$10,000 Limit on farm machinery, vehicles, equipment that the insured borrows or rents, whether or not under a written contract, as described and limited in **A.1.i.** of the coverage form. This coverage extension applies only to property that the insured borrows or rents during the policy term.

This additional \$10,000 Limit may be increased by entering the selected higher Limit in the Declarations. Compute the thirty-day premium for a higher Limit by multiplying the excess over \$10,000 by the Machinery, Vehicles and Implements Blanket company rate in the Coverage **E** State Rate pages.

b. Coverage F – Unscheduled Farm Personal Property

Subject to a Limit of Insurance entered in the Declarations, coverage may be written on farm personal property on an unscheduled basis. This coverage includes farm personal property, owned or borrowed by the insured, which is usual or incidental to the operation of a farm. Eighty percent coinsurance applies to this coverage and cannot be deleted.

6. Coverage G – Barns, Outbuildings And Other Farm Structures

a. Coverage G covers the following types of property for which Limits of Insurance are shown in the Declarations:

- (1) Farm buildings and structures other than Coverage **A** or Coverage **B** property;
- (2) Silos individually described;
- (3) Portable buildings and structures;
- (4) Fences (except field and pasture fences), corrals, pens, chutes and feed racks;
- (5) Outdoor radio and TV equipment;
- (6) Tenants' improvements and betterments; and
- (7) Building materials and supplies.

b. A \$1,000 sublimit of insurance applies to private power and light poles. The limit can be increased in accordance with Paragraph **D.11.**

c. Replacement cost valuation is available for property other than improvements or betterments, provided this option is expressly indicated in the Declarations and the Limit of Insurance on the damaged property is at least 80% of its replacement cost at time of loss.

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36. FARM PROPERTY COVERAGE (Cont.)

B. 7. Coverage G – Barns, Outbuildings And Other Farm Structures – Blanket Insurance

a. Description Of Coverage

The policy may be endorsed to provide coverage for barns, outbuildings and other farm structures on a blanket basis. Coverage is subject to 80% coinsurance.

b. Forms

- (1) Use Coverage **G** – Barns, Outbuildings And Other Farm Structures – Blanket Insurance Endorsement **FP 04 28**. In the Schedule, enter:
 - (a) The insured location(s);
 - (b) Property not to be covered, if any;
 - (c) Applicable Causes of Loss (Basic or Broad or Special);
 - (d) A single Limit of Insurance;
 - (e) The loss valuation basis (Actual Cash Value or Replacement Cost).
- (2) Also use Coverage **G** – Barns, Outbuildings And Other Farm Structures Statement Of Values Form **FP 16 01**. This form must be filed annually with the company and also whenever a material change occurs. The company may require the form to be signed by the Insured.

c. Rates

- (1) At policy inception or anniversary, develop the premium for each item of property using the appropriate rate from the Coverage **G** State Rate pages, multiplied by the value of the property as set forth in the Statement of Values.
- (2) Calculate a blanket average rate using the Statement of Values form.
 - (a) Calculate the premium for each item according to the rules in this manual.
 - (b) Develop the sum of all the premiums for all items included in the blanket.
 - (c) Develop the sum of values for all items included in the blanket.
 - (d) Divide the result of **(b)** by the result of **(c)**. The result is the blanket average rate.
 - (e) The blanket average rate expires one year from its effective date.
 - (f) A new blanket average rate may apply if the conditions upon which the rate is based have materially changed.
- (3) Example of calculation:

Total Premium: \$700
Total Value: \$100,000

 - (a) Divide the Total Value by \$1,000, because the rates in the Coverage **G** table are on a per- \$1,000-of-insurance basis. ($100,000 / 1,000 = 100$)
 - (b) Divide the Total Premium by the result of Step **(a)**. ($700 / 100 = \$7$)

The "total premium" amount used in this example is for illustrative purposes only. The actual total premium is based on the rates in effect for individual companies.

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36. FARM PROPERTY COVERAGE (Cont.)

B. 8. Causes Of Loss

The Declarations for the various coverages and property require entry of either Basic, Broad, Special or Special/Broad. (Special/Broad is an option under Farm Combination Coverage owners' policies and means that Special causes of loss apply to Coverage **A** and **B** property, and Broad causes of loss apply to Coverage **C** property.)

The causes of loss on certain property are restricted. Refer to Causes Of Loss Form – Farm Property **FP 10 60** under Covered Causes of Loss, for details.

a. Basic Causes Of Loss

These provide coverage against the following:

- (1) Fire or Lightning
- (2) Windstorm or Hail
- (3) Explosion
- (4) Riot or Civil Commotion
- (5) Aircraft
- (6) Vehicles
- (7) Smoke
- (8) Vandalism
- (9) Theft
- (10) Sinkhole Collapse
- (11) Volcanic Action
- (12) Collision (Coverages **E** and **F** only)
- (13) Earthquake Loss to Livestock
- (14) Flood Loss to Livestock

b. Broad Causes Of Loss

These provide coverage against the 14 Basic Causes of Loss plus the following additional Causes of Loss:

- (15) Electrocution of Livestock
- (16) Attacks on Livestock by Dogs or Wild Animals
- (17) Accidental Shooting of Livestock
- (18) Drowning of Livestock
- (19) Loading/Unloading Accidents
- (20) Breakage of Glass
- (21) Falling Objects
- (22) Weight of Ice, Snow or Sleet
- (23) Sudden and Accidental Tearing Apart
- (24) Accidental Discharge or Leakage of Water or Steam
- (25) Freezing of a Plumbing, Heating, Air Conditioning or Automatic Fire Protective System, or of a Household Appliance
- (26) Sudden and Accidental Damage from Artificially Generated Electrical Current

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36. FARM PROPERTY COVERAGE (Cont.)

B. 8. c. Special Causes Of Loss

(1) Description Of Coverage

The Special Causes of Loss provide coverage against risks of direct physical loss to eligible property, subject to certain exclusions and conditions.

(2) Ineligibility

The Special Causes of Loss do not cover the following farm personal property:

- Livestock;
- Poultry;
- Bees;
- Fish;
- Worms;
- Other animals;
- Hay, straw, fodder;
- Trees, shrubs, plants or lawns

Therefore:

If covered under Coverage **E**, enter either Basic or Broad in the Declarations schedule for such property.

If Special Causes of Loss is selected for Coverage **F** (unscheduled property), divide the Declarations Cause-of-Loss entry into:

- Livestock, Hay, Straw, Fodder – enter Basic or Broad; and
- Other Farm Personal Property – enter Special. (A single Limit of Insurance remains applicable to Coverage **F**.) The Special rates apply whenever Special Coverage is afforded on eligible Coverage **F** property.

9. Additional Insured – Farm Property

a. Description Of Coverage

Persons and organizations may be designated as additional insureds, for a particular insured location, under Forms **FP 00 12**, **FP 00 13** and **FP 00 14**.

b. Forms

- (1) For Additional Insured Organizations use Additional Insured – Farm Property – Organizations Endorsement **M2704F**.
- (2) For Additional Insured Persons Additional Insured – Farm Property – Persons Endorsement **M2705F**.

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36. **FARM PROPERTY COVERAGE (Cont.)**

C. Premium Computation

1. Farm Combination Coverage Owners Policy – Coverages A, B, C, D

- a. Farm Combination rating applies if the risk meets the eligibility criteria in Rule **20.A**. If the eligibility criteria's are not satisfied refer to **Rule 36.C.4**.
- b. Determine the:
 - (1) Key premium based on the applicable Cause of Loss category Basic, Broad, Special or Special/Broad from State Rate Table **36.C. – 1 (R)**.
 - (2) Key factor based on the Coverage **A** Limit of Insurance from State Rate Table **36.C.8.a**.
- c. Multiply the key premium by the key factor.
- d. Sequentially apply to the premium developed in Paragraph **c**. by the factors shown below:
 - (1) Type
Multiply the premium developed in Paragraph **c**. by the type factor from Rule **36.C.8.b**.
 - (2) Construction
Multiply the premium developed in Paragraph **(1)** by the applicable construction factor from Rule **36.C.8.b**.
 - (3) Protection
Multiply the premium developed in Paragraph **(2)** by the applicable protection factor from Rule **36.C.8.b**.
 - (4) Non-Owner-Occupied
If the owner does not occupy the dwelling, multiply the premium developed in Paragraph **(3)** by the factor from Rule **36.C.8.b**.

The premium developed in Paragraphs **a**. through **d**. includes Coverages **A, B, C** and **D** (Coverage **B**: 10% of Coverage **A**; Coverage **C**: 70% of Coverage **A**; Coverage **D**: 10% of Coverage **A**.)

2. Farm Combination Coverage Tenants Policy – Coverages C, D

- a. Farm Combination rating applies if the risk meets the eligibility criteria in Rule **20.A**. If the eligibility criteria's are not satisfied refer to **Rule 36.C.4**.
- b. Determine the premium from the state rate table based on the Coverage **C** Limit of Insurance from State Rate Table **36.C. – 2 (R)**.
- c. Sequentially apply to the premium developed in Paragraph **b**. by the factors shown below:
 - (1) For type, multiply the premium developed in Paragraph **b**. by the applicable type classification factor from Rule **36.C.8.b**.
 - (2) For construction, multiply the premium developed in Paragraph **(1)** by the applicable construction factor from Rule **36.C.8.b**.
 - (3) For protection, multiply the premium developed in Paragraph **(2)** by the applicable protection factor from Rule **36.C.8.b**.

The premium developed in Paragraphs **a**. through **c**. includes Coverages **C** and **D** (Coverage **D**: 20% of Coverage **C**.)

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36. FARM PROPERTY COVERAGE (Cont.)

C. 3. Farm Combination Coverage Adjusted Base Premium Computation

Sequentially apply the applicable adjustments to the base premium as developed in Paragraphs 1. or 2.

a. Inflation Guard

- (1) We may increase or decrease the limits of liability for Coverage **A** at the beginning of every renewal policy period based on reports of recognized appraisal agencies, reflecting changes in the cost of construction. To provide automatic annual increase in the property Limits of Insurance use the following factors:

Amount Of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
Each additional 2%	.01

Table 36.C.3.a.(1) Factors For Automatic Increases

- (2) Use Inflation Guard Endorsement **FP 04 31**.

b. Age of Home Credit

Multiply the farm dwelling premium developed in Paragraph **a.** by the factor from Rule **36.E.4**.

c. Supplemental Heating Devices

Multiply the premium developed in Paragraph **b.** by 1.10 when the dwelling is equipped with supplemental heating devices.

d. Deductibles

Optional deductible amounts may apply to each coverage or item separately. Multiply premiums developed in Paragraph **c.** by the appropriate factor from the following table:

Deductible Amount	Factor
100	1.15
250	1.00
500	.91
1,000	.82
2,500	.75
5,000	.71
7,500	.67
10,000	.62
25,000	.60
50,000	.55

Table 36.C.3.d. Factors For Optional Deductibles

(For Windstorm Or Hail Percentage Deductibles, refer to Rule 31.)

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36. **FARM PROPERTY COVERAGE (Cont.)**

C. 3. e. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph **d.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

f. **Persistency Credit**

Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.1.**

g. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.2.**

h. **Loss Free Credit**

Multiply the premium developed in Paragraph **g.** by the factor from Rule **36.E.3.**

i. **Territorial Multiplier**

Multiply the premium developed in Paragraph **h.** by the factor from Rule **44.**

j. **Fixed Expense Credit**

Multiply the premium developed in Paragraph **i.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

4. **Other Than Farm Combination Coverage – Owners and Tenants Policies – Coverage A, B, C and D; And Both Farm Combination And Other Than Farm Combination Coverages – Farm Personal Property And Other Farm Structures (Coverages E, F and G) Base Premium Computation**

a. Develop the base premium as follows:

(1) Dwellings and Household Personal Property; Tenants Household Personal Property:

(a) Whether the residence premises is on a farm premises or not, refer to State Rate Table **36.C. – 3 (R).**

(b) For Farm Personal Property, refer to State Rate Table **36.C. – 4 (R)** and Table **36.C. – 5 (R).**

(c) For Other Farm Structures, refer to State Rate Table **36.C. – 6 (R).**

b. Multiply the Limit of Insurance by the applicable rate from the State Rate pages. If Collision Resulting in Death Of Livestock Endorsement **FP 04 56** applies, such livestock is rated in Paragraph **5.**

c. Sequentially apply to the premium developed in Paragraph **b.** by the factors shown in Table **36.C.8.b.** as follows:

(1) For construction, multiply the premium developed in Paragraph **b.** by the applicable construction factor from Rule **36.C.8.b.**

(2) For protection, multiply the premium developed in Paragraph **(1)** by the applicable protection factor from Rule **36.C.8.b.**

The premiums developed under Paragraph **a.(1)** include Coverage **B** (owners policy only; 10% of Coverage **A**) and Coverage **D** (owners 10% of Coverage **A**; tenants 20% of Coverage **C**). **Coverage C is not automatically provided.**

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36. FARM PROPERTY COVERAGE (Cont.)

- C. 5. **Livestock Under Coverage E – Revision To Covered Causes Of Loss And Limit Per Animal**
- a. Endorsement **FP 04 56** may be used with Form **FP 00 13**. It revises coverage on livestock under Coverage **E** as follows:
 - (1) Causes of loss on livestock are restricted to cover only Collision Resulting in Death of Livestock; and
 - (2) The per-animal sub-limit in **FP 00 13** is replaced by a selected limit per animal. If Endorsement **FP 04 56** is used, the following apply.
 - b. In the Coverage **E** Declarations:
 - (1) Enter the Limit of Insurance applicable to Livestock; and
 - (2) Enter Collision (instead of Basic or Broad) in the covered causes of loss column applicable to Livestock.
 - c. In the Schedule of Endorsement **FP 04 56**, enter the selected limit-per-animal.
 - d. When Endorsement **FP 04 56** is used, the premium for Livestock under Coverage **E** is developed as follows:
 - (1) Apply a factor of .15 to the Coverage **E** Basic causes of loss Blanket Livestock rate before Fixed Expense Credit is calculated;
 - (2) Multiply the Limit of Insurance by the company rate determined in Paragraph **(1)**.

6. **Adjusted Base Premium Computation Other Than Farm Combination Coverage – Farm Dwellings, Household Personal Property And Other Farm Structures (Coverages E, F and G)**

Sequentially apply the following applicable adjustments to the base premiums developed in Rules **36.C.4.** and **36.C.5.**

- a. **Inflation Guard**
- (1) To provide automatic annual increase in the property Limits of Insurance for buildings and structures, multiply the premium developed in Paragraph **4.** by the appropriate factor from the following table:

Amount Of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
Each additional 2%	.01

Table 36.C.6.a.(1) Factors For Automatic Increases

- (2) Use Inflation Guard Endorsement **FP 04 31**.
- b. **Age of Home Credit**
Multiply the farm dwelling premium developed in Paragraph **a.** by the factor from Rule **36.E.4.**
- c. **Supplemental Heating Devices**
Multiply the farm dwelling and household personal property premium developed in Paragraph **b.** by 1.10 when the dwelling is equipped with supplemental heating devices.

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36. FARM PROPERTY COVERAGE (Cont.)

C. 6. d. Deductibles

Optional deductible amounts may apply to each coverage or item separately. Multiply premiums developed in Paragraph **c.** by the appropriate factor from the following table:

Deductible Amount	Factor
100	1.15
250	1.00
500	.91
1,000	.82
2,500	.75
5,000	.71
7,500	.67
10,000	.62
25,000	.60
50,000	.55

**Table 36.C.6.d. Factors For Optional Deductibles
(For Windstorm Or Hail Percentage Deductibles, refer to Rule 31.)**

e. Individual Risk Premium Modification

Multiply the premium developed in Paragraph **d.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

f. Persistency Credit

Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.1.**

g. Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.2.**

h. Loss Free Credit

Multiply the premium developed in Paragraph **g.** by the factor from Rule **36.E.3.**

i. Territorial Multiplier

Multiply the premium developed in Paragraph **h.** by the factor from Rule **44.**

j. Fixed Expense Credit

Multiply the premium developed in Paragraph **i.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

7. Farm Combination Coverage Modification Factor

Multiply the farm personal property (Coverages **E** and **F**) and other farm structures (Coverage **G**) adjusted base premiums by the Farm Combination Coverage modification factor shown in Rule **36.C.8.b.** of the State Rule Exception pages.

8. Key Factors And Premium Modification Factors

- a. Refer to Table **36.C.8.a.** in the State Rule Exception pages.
- b. Refer to Table **36.C.8.b.** in the State Rule Exception pages.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. Additional Or Reduced Premium Computation

Increase or reduce the adjusted base premium from Rules **36.C.3.** and **36.C.6.** as follows for increases or reductions in Limits of Insurance or for Extensions of Coverage or Additional Coverages:

1. Building Additions And Alterations (Tenants Interests)

- a. The Limit of Insurance of 10% of the Household Personal Property Coverage limit may be increased as follows. Enter the revised Limit of Insurance in the Declarations.
 - (1) For Farm Combination Coverage, use the applicable rate in the "Each additional \$1,000" row of Table **36.C. – 2 (R)** (Farm Combination-Farm Tenants Household Personal Property Base Premium) in the State Rate pages for each \$1,000 of increase to the Limit of Insurance.
 - (a) Multiply the above premium by modification factors based on type, construction, protection, age, heat and deductible as appropriate.
 - (2) For Other Than Farm Combination Coverage, multiply the increased Limit of Insurance by the applicable farm household personal property rate shown in the farm dwelling and household personal property Table **36.C. – 3 (R)** in the State Rate pages.
 - (a) Multiply the above premium by modification factors based on construction, protection, age, heat and deductible as appropriate.
- b. Coverage at a residence rented to an insured and located off the residence premises is included under Coverage Form **FP 00 12**. Compute the premium as in Paragraph **1.a.**
- c. **Farm Combination Credit**
Modification factor is not applicable.
- d. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **b.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- e. **Persistency Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.1.**
- f. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.2.**
- g. **Loss Free Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.3.**
- h. **Territorial Multiplier**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **44.**
- i. **Organic Certification Credit**
Multiply the premium developed in Paragraph **h.** by the factor from Rule **43.J.** if Organic Certification applies.
- j. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **i.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 2. **Credit Cards, Electronic Fund Transfer Cards Or Other Access Devices, Forgery And Counterfeit Currency**

- a. The Limit of Insurance for credit cards, electronic fund transfer cards or other access devices, forgery and counterfeit currency may be increased.
- b. Premium Determination
 - (1) Refer to Table **36.D.2.b.(R)** in the State Rate pages to compute the additional premium.
 - (2) **Farm Combination Credit**
Modification factor is not applicable.
 - (3) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **(1)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (4) **Persistency Credit**
Multiply the premium developed in Paragraph **(3)** by the factor from Rule **36.E.1**.
 - (5) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **(4)** by the factor from Rule **36.E.2**.
 - (6) **Loss Free Credit**
Multiply the premium developed in Paragraph **(5)** by the factor from Rule **36.E.3**.
 - (7) **Territorial Multiplier**
Multiply the premium developed in Paragraph **(6)** by the factor from Rule **44**.
 - (8) **Organic Certification Credit**
Multiply the premium developed in Paragraph **(7)** by the factor from Rule **43.J**, if Organic Certification applies.
 - (9) **Fixed Expense Credit**
Multiply the premium developed in Paragraph **(8)** by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- c. Enter the revised Limit of Insurance in the Declarations.

3. **Glass Coverage – Breakage Of Cab Glass**

a. **Description Of Coverage**

The Farm Property – Farm Personal Property Coverage Form **FP 00 13** may be endorsed to cover breakage of glass in the cab of scheduled mobile agricultural machinery or farm vehicles, subject to certain exclusions and conditions. The endorsement provides for replacement of broken cab glass on either an actual cash value loss valuation or on the basis of the cost to repair or replace the broken cab glass with the most closely equivalent cab glass obtainable. No deductible applies to this coverage. See Endorsement **FP 05 22** for further details.

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36. FARM PROPERTY COVERAGE (Cont.)

D. 3. b. Form

Use Cab Glass Breakage Endorsement **FP 05 22**.

In the Schedule of Endorsement **FP 05 22** identify the machinery or vehicle(s) for which coverage is desired.

c. Premium Determination

1. Refer to Table **36.D.3.b.(3)(R)** in the State Rate pages.

2. Farm Combination Credit

Multiply the premium developed in Paragraph **1.** by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.

3. Individual Risk Premium Modification

Multiply the premium developed in Paragraph **2.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

4. Persistency Credit

Multiply the premium developed in Paragraph **3.** by the factor from Rule **36.E.1.**

5. Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph **4.** by the factor from Rule **36.E.2.**

6. Loss Free Credit

Multiply the premium developed in Paragraph **5.** by the factor from Rule **36.E.3.**

7. Territorial Multiplier

Multiply the premium developed in Paragraph **6.** by the factor from Rule **44.**

8. Organic Certification Credit

Multiply the premium developed in Paragraph **7.** by the factor from Rule **43.J.** if Organic Certification applies.

9. Fixed Expense Credit

Multiply the premium developed in Paragraph **8.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

4. Coverage D – Loss Of Use – Increased Limit

a. The Limit of Insurance for loss of use may be increased.

b. Premium Determination

(1) Refer to Table **36.D.4.b.(R)** in the State Rate pages to compute the additional premium.

(2) Farm Combination Credit

Modification factor is not applicable.

(3) Individual Risk Premium Modification

Multiply the premium developed in Paragraph **(1)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(4) Persistency Credit

Multiply the premium developed in Paragraph **(3)** by the factor from Rule **36.E.1.**

(5) Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph **(4)** by the factor from Rule **36.E.2.**

(6) Loss Free Credit

Multiply the premium developed in Paragraph **(5)** by the factor from Rule **36.E.3.**

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 4. b. (7) **Territorial Multiplier**
Multiply the premium developed in Paragraph (6) by the factor from Rule 44.
- (8) **Organic Certification Credit**
Multiply the premium developed in Paragraph (7) by the factor from Rule 43.J. if Organic Certification applies.
- (9) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (8) by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- c. Enter the revised Limit of Insurance in the Declarations.
- 5. **Coverage B – Other Private Structures Appurtenant To Dwellings – Increased Limits Of Insurance**
 - a. **Description Of Coverage**
The policy may be endorsed to cover appurtenant structures values exceeding the automatic allowance (10% of the Coverage A limit) provided for Coverage B property.
 - b. **Form**
Use Increased Limits For Structures Appurtenant To Dwellings Endorsement **FP 05 25**.
 - c. **Premium Determination**
 - (1) For each structure described, multiply the Additional Limit shown in the schedule of Endorsement **FP 05 25** by the appropriate Type 1 Outbuildings rate in the Coverage G State Rate pages, except in the case of private greenhouses use Type 3 instead of Type 1.
 - (2) **Construction**
Multiply the premium developed in Paragraph (1) by the applicable construction factor from Rule 36.C.8.b.
 - (3) **Protection**
Multiply the premium developed in Paragraph (2) by the applicable protection factor from Rule 36.C.8.b.
 - (4) **Deductible**
Multiply the premium developed in Paragraph (3) by the appropriate factor from Table 36.C.3.d. or 36.C.6.d.
 - (5) **Farm Combination Credit**
Multiply the premium developed in Paragraph (4) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.
 - (6) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (5) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (7) **Persistency Credit**
Multiply the premium developed in Paragraph (6) by the factor from Rule 36.E.1.
 - (8) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (7) by the factor from Rule 36.E.2.
 - (9) **Loss Free Credit**
Multiply the premium developed in Paragraph (8) by the factor from Rule 36.E.3.
 - (10) **Territorial Multiplier**
Multiply the premium developed in Paragraph (9) by the factor from Rule 44.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 5. c. (11) **Organic Certification Credit**

Multiply the premium developed in Paragraph (10) by the factor from Rule 43.J. if Organic Certification applies.

(12) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (11) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

6. **Household Personal Property – Farm Combination Coverage**

a. **Increased Limits Of Insurance**

Refer to Table 36.D.6.a.(R) in the State Rate pages.

b. **Type**

Multiply the premium developed in Paragraph a. by the applicable type classification factor from Rule 36.C.8.b.

c. **Construction**

Multiply the premium developed in Paragraph b. by the applicable construction factor from Rule 36.C.8.b.

d. **Protection**

Multiply the premium developed in Paragraph c. by the applicable protection factor from Rule 36.C.8.b.

e. **Age of Home Credit**

Multiply the premium developed in Paragraph d. by the factor from Rule 36.E.4.

f. **Supplemental Heating Devices**

Multiply the premium developed in Paragraph e. by the factor from Rule 36.C.3.c. when the dwelling is equipped with supplemental heating devices.

g. **Deductible**

Multiply the premium developed in Paragraph f. by the appropriate factor from Table 36.C.3.d.

h. **Farm Combination Credit**

Modification factor is not applicable.

i. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph g. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

j. **Persistency Credit**

Multiply the premium developed in Paragraph i. by the factor from Rule 36.E.1.

k. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph j. by the factor from Rule 36.E.2.

l. **Loss Free Credit**

Multiply the premium developed in Paragraph k. by the factor from Rule 36.E.3.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 6. m. **Territorial Multiplier**

Multiply the premium developed in Paragraph I. by the factor from Rule 44.

n. **Organic Certification Credit**

Multiply the premium developed in Paragraph m. by the factor from Rule 43.J. if Organic Certification applies.

o. **Fixed Expense Credit**

Multiply the premium developed in Paragraph n. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

7. **Scheduled Personal Property**

a. Coverage may be provided against risks of direct physical loss with certain exceptions on scheduled personal property subject to the rules, rates, codes and minimum premiums of the company.

b. Premium Determination

(1) Refer to Table 36.D.7.(R) in the State Rate pages.

(2) **Farm Combination Credit**

Multiply the premium developed in Paragraph (1) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.

(3) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (2) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(4) **Persistency Credit**

Multiply the premium developed in Paragraph (3) by the factor from Rule 36.E.1.

(5) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (4) by the factor from Rule 36.E.2.

(6) **Loss Free Credit**

Multiply the premium developed in Paragraph (5) by the factor from Rule 36.E.3.

(7) **Territorial Multiplier**

Multiply the premium developed in Paragraph (6) by the factor from Rule 44.

(8) **Organic Certification Credit**

Multiply the premium developed in Paragraph (7) by the factor from Rule 43.J. if Organic Certification applies.

(9) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (8) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

c. Use Scheduled Personal Property Endorsement M2195F.

8. **Rental To Others – Theft Coverage**

a. When the policy is extended to cover loss by theft while the portion of the residence premises usually occupied by the insured is occasionally rented in whole or in part to others, or while there is rental to a roomer or boarder, an additional charge is to be made.

b. Premium Determination

(1) Refer to Table 36.D.8.(R) in the State Rate pages.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 8. b. (2) **Deductible**

Multiply the premium developed in Paragraph (1) by the appropriate factor from Table 36.C.6.d.

(3) **Farm Combination Coverage Modification Factor**

Multiply the premium developed in Paragraph (2) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.

(4) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (3) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(5) **Persistency Credit**

Multiply the premium developed in Paragraph (4) by the factor from Rule 36.E.1.

(6) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (5) by the factor from Rule 36.E.2.

(7) **Loss Free Credit**

Multiply the premium developed in Paragraph (6) by the factor from Rule 36.E.3.

(8) **Territorial Multiplier**

Multiply the premium developed in Paragraph (7) by the factor from Rule 44.

(9) **Organic Certification Credit**

Multiply the premium developed in Paragraph (8) by the factor from Rule 43.J. if Organic Certification applies.

(10) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (9) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

c. Use Rental To Others – Theft Coverage Endorsement **FP 04 80**.

9. **Business Property**

a. The Special Limit of Insurance of \$2,500 for business property on the insured location may be increased to \$10,000.

b. Premium Determination

(1) Refer to Table 36.D.9.(R) in the State Rate pages.

(2) **Type**

Multiply the premium developed in Paragraph (1) by the applicable type classification factor from Rule 36.C.8.b.

(3) **Construction**

Multiply the premium developed in Paragraph (2) by the applicable construction factor from Rule 36.C.8.b.

(4) **Protection**

Multiply the premium developed in Paragraph (3) by the applicable protection factor from Rule 36.C.8.b.

(5) **Age of Home Credit**

Multiply the premium developed in Paragraph (4) by the factor from Rule 36.E.4.

(6) **Supplemental Heating Devices**

Multiply the premium developed in Paragraph (5) by the factor from Rule 36.C.6.c. when the dwelling is equipped with supplemental heating devices.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 9. b. (7) **Deductible**

Multiply the premium developed in Paragraph (6) by the appropriate factor from Table 36.C.6.d.

(8) **Farm Combination Coverage Modification Factor**

Multiply the premium developed in Paragraph (7) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.

(9) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (8) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(10) **Persistency Credit**

Multiply the premium developed in Paragraph (9) by the factor from Rule 36.E.1.

(11) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (10) by the factor from Rule 36.E.2.

(12) **Loss Free Credit**

Multiply the premium developed in Paragraph (11) by the factor from Rule 36.E.3.

(13) **Territorial Multiplier**

Multiply the premium developed in Paragraph (12) by the factor from Rule 44.

(14) **Organic Certification Credit**

Multiply the premium developed in Paragraph (13) by the factor from Rule 43.J. if Organic Certification applies.

(15) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (14) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

- c. The Special Limit of Insurance of \$500 for business property off the insured location is automatically increased at no additional charge to an amount that is 20% of the total on-premises Limit of Insurance for business property.

- d. Use Increased Special Limits On Business Property Endorsement **FP 04 09**.

10. **Extra Expense – Coverages E, F Or G**

Coverage may be provided for expense incurred in order to continue as nearly as practicable normal farm operations following damage by a covered cause of loss to real or personal property covered under Coverage **E**, **F** or **G**. Enter the Limit of Insurance for Extra Expense in the Declarations.

- a. Compute the premium by multiplying the limit of extra expense insurance by 1.5 times the highest-rated covered item from Coverage **G** building rate in Table 36.C.6 – (R) in the State Rate pages.

b. **Construction**

Multiply the premium developed in Paragraph a. by the applicable construction factor from Rule 36.C.8.b.

c. **Protection**

Multiply the premium developed in Paragraph b. by the applicable protection factor from Rule 36.C.8.b.

d. **Deductible**

Does not apply.

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 10. e. **Farm Combination Coverage Modification Factor**
Multiply the premium developed in Paragraph c. by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.
 - f. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph e. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - g. **Persistency Credit**
Multiply the premium developed in Paragraph f. by the factor from Rule 36.E.1.
 - h. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph g. by the factor from Rule 36.E.2.
 - i. **Loss Free Credit**
Multiply the premium developed in Paragraph h. by the factor from Rule 36.E.3.
 - j. **Territorial Multiplier**
Multiply the premium developed in Paragraph i. by the factor from Rule 44.
 - k. **Organic Certification Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule 43.J. if Organic Certification applies.
 - l. **Fixed Expense Credit**
Multiply the premium developed in Paragraph k. by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
11. **Private Power and Light Poles**
- a. The Special Limit of Insurance of \$1,000 may be increased. Use the Power and Light Poles, Wiring rate in the Coverage G table in the State Rate pages. Enter the new Limit of Insurance in the Declarations.
 - b. **Construction**
Multiply the premium developed in Paragraph a. by the applicable construction factor from Rule 36.C.8.b.
 - c. **Protection**
Multiply the premium developed in Paragraph b. by the applicable protection factor from Rule 36.C.8.b.
 - d. **Inflation Guard**
If coverage is applicable, multiply the premium in Paragraph c. by the appropriate factor from Table 36.C.6.a.(1)
 - e. **Deductible**
Multiply the premium developed in Paragraph d. by the appropriate factor from Table 36.C.6.d.
 - f. **Farm Combination Coverage Modification Factor**
Multiply the premium developed in Paragraph e. by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.
 - g. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph f. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 11. h. **Persistency Credit**

Multiply the premium developed in Paragraph g. by the factor from Rule **36.E.1.**

i. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph h. by the factor from Rule **36.E.2.**

j. **Loss Free Credit**

Multiply the premium developed in Paragraph i. by the factor from Rule **36.E.3.**

k. **Territorial Multiplier**

Multiply the premium developed in Paragraph j. by the factor from Rule **44.**

l. **Organic Certification Credit**

Multiply the premium developed in Paragraph k. by the factor from Rule **43.J.** if Organic Certification applies.

m. **Fixed Expense Credit**

Multiply the premium developed in Paragraph l. by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

12. **Earthquake Coverage**

a. Refer to **Division 5** – Fire and Allied Lines for company rates/ISO rates and rules. Farm dwellings are to be classified as habitational structures.

b. Use Cause Of Loss – Earthquake Form **FP 10 40.**

c. No additional Farm rating factors apply to Earthquake Coverage.

13. **Spoilage Coverage – Perishable Farm Personal Property**

a. **Description Of Coverage**

If Coverage **E** – Scheduled Farm Personal Property is provided, direct damage coverage may be extended for spoilage of perishable farm personal property caused by one or both of the following:

- (1) Breakdown or contamination, meaning change in temperature or humidity resulting from mechanical breakdown or mechanical failure of equipment, or contamination of perishable farm personal property by a refrigerant.
- (2) Public Power Outage, meaning change in temperature or humidity resulting from failure of public power.

b. **Form**

Use Spoilage Coverage – Perishable Farm Personal Property Endorsement **FP 04 24.**

c. **Rules**

(1) **Schedule**

Indicate the following in the Schedule of Endorsement **FP 04 24** or in the Declarations:

- (a) The Covered Causes of Loss, Breakdown or Contamination, Public Power Outage, or both, depending on the coverage desired.
- (b) The applicable Limit of Insurance for Spoilage Coverage – Perishable Farm Personal Property.

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36. FARM PROPERTY COVERAGE (Cont.)

- D. 13. c. (1) (c) Refrigeration – Maintenance – Agreement(s), if applicable. This condition may apply when:
- (i) Breakdown or Contamination is a Covered Cause of Loss in the endorsement;
 - (ii) An acceptable agreement is provided on refrigeration equipment at the insured location; and
 - (iii) Rating consideration is given in recognition of the maintenance agreement.
- (d) Refrigeration Back-Up System Warranty, if applicable. This condition may apply when:
- (i) Public Power Outage is a Covered Cause of Loss in the endorsement;
 - (ii) Semen is described as covered perishable farm personal property in the Schedule; and
 - (iii) A refrigeration back-up system is provided for the preservation of semen at the insured location. This warranty must include one of the following conditions on the insured location, at all times:
 - i. Functioning power failure alarm system, functioning auxiliary generator and caretaker; or
 - ii. Functioning power failure alarm system and functioning automatic starting auxiliary generator.
 - (iv) Rating consideration is given in recognition of the refrigeration back-up system warranty.
- (e) Selling Price option, if applicable.
The Selling Price option applies to perishable farm personal property sold for other than commodity or contract price.
- (2) **Blanket Insurance**
Do not write insurance on a blanket basis.
- (3) **Deductible**
The minimum deductible is \$250.
- (4) **Maximum Limit Of Insurance**
The maximum Limit of Insurance is \$250,000 per location.

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36. FARM PROPERTY COVERAGE (Cont.)

D. 13. d. Premium Determination

(1) Classification

Use the following to determine the classification of types of perishable farm personal property:

(Perishable farm personal property does not include animals which are killed as a result of a covered cause of loss: Breakdown or Contamination and/or Public Power Outage.)

Perishable Farm Personal Property – Breakdown By Class

Class 1	Class 2	Class 3	Other Types
Apples Citrus Fruits Vegetables – Root Variety Potatoes	Blood and Plasma Dairy Products, excluding Ice Cream Drugs, including Medicines and Vitamins Meat Melons Peaches, Pears and Plums Poultry Vegetables, excluding Root and Leaf Varieties and Potatoes	Berries and Grapes Cut Flowers Fertilized Eggs Fish Milk Rooted/Potted Plants Semen Vegetables – Leaf Variety	For types of property not listed in this table, refer to company for classification.

Table 36.D.13.d.(1) Perishable Farm Personal Property – Breakdown By Class

(2) Rating

(a) Refer to Table **36.D.13.d.(2)(R)** in the State Rate pages to determine the applicable rates.

If Selling Price is indicated in the Schedule, multiply the applicable rate(s) by 1.40.

If the Refrigeration Back-up System Warranty (Semen) is indicated in the Schedule, multiply the Public Power Outage rate(s) by .75.

(b) Deductible

Multiply the premium developed in Paragraph **(a)** by the appropriate factor from Table **36.C.6.d.**

(c) Farm Combination Credit

Multiply the premium developed in Paragraph **(b)** by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.

(d) Individual Risk Premium Modification

Multiply the premium developed in Paragraph **(c)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 13. d. (2) (e) **Persistency Credit**
Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.1.**
- (f) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (e) by the factor from Rule **36.E.2.**
- (g) **Loss Free Credit**
Multiply the premium developed in Paragraph (f) by the factor from Rule **36.E.3.**
- (h) **Territorial Multiplier**
Multiply the premium developed in Paragraph (g) by the factor from Rule **44.**
- (i) **Organic Certification Credit**
Multiply the premium developed in Paragraph (h) by the factor from Rule **43.J.** if Organic Certification applies.
- (j) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (i) by the factor from Rule **43.H.**
- Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

14. **Peak Season – Farm Personal Property**

- a. Limits of Insurance under Coverages **E** and **F** may be increased for a selected, specified period of time.
- b. Premium Determination
- (1) Calculate the additional premium at pro rata of the applicable Coverage **E** or **F** rate for the period of time during which the increased Limit of Insurance applies.
- (2) **Farm Combination Credit**
Multiply the premium developed in Paragraph (1) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.
- (3) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (2) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- (4) **Persistency Credit**
Multiply the premium developed in Paragraph (3) by the factor from Rule **36.E.1.**
- (5) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (4) by the factor from Rule **36.E.2.**
- (6) **Loss Free Credit**
Multiply the premium developed in Paragraph (5) by the factor from Rule **36.E.3.**
- (7) **Territorial Multiplier**
Multiply the premium developed in Paragraph (6) by the factor from Rule **44.**
- (8) **Organic Certification Credit**
Multiply the premium developed in Paragraph (7) by the factor from Rule **43.J.** if Organic Certification applies.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 14. b. (9) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (8) by the factor from Rule **43.H**.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

c. Use Peak Season Endorsement **FP 12 29**.

15. **Foreign Objects In Machinery**

a. **Description Of Coverage**

Coverage may be provided on items of farm machinery, vehicles and equipment specifically described in the Coverage **E** Declarations, subject to the following:

- (1) The property must be insured against the Special Covered Causes of Loss;
- (2) The Declarations must indicate whether coverage applies to a particular item;
- (3) The Limit of Insurance for each covered item must reflect the full value of the item;
- (4) Use Foreign Objects In Machinery Endorsement **FP 04 20**.

b. **Premium Computation**

Compute the additional premium for **FP 04 20** by multiplying the Coverage **E** final premium for each covered item by .10 before Fixed Expense Credit is calculated.

16. **Pollutant Clean Up And Removal Additional Aggregate Limit Of Insurance**

a. **Description Of Coverage**

Form **FP 00 90** automatically provides a \$10,000 annual aggregate Limit of Insurance applicable exclusively to the costs to remove pollutants from land or water at an insured location. A separate aggregate applies to each location listed as an insured location in the Declarations.

The \$10,000 annual aggregate limit can be increased. Use Pollutant Clean Up And Removal Additional Aggregate Limit Of Insurance Endorsement **FP 04 22**.

b. **Schedule**

In the Schedule of **FP 04 22**, indicate the insured location(s) to which an increased limit applies, and the additional annual aggregate limit applicable to each such location.

c. **Deductible**

In the Schedule of **FP 04 22**, indicate the applicable deductible for each location. This deductible replaces the policy deductible with respect to the Pollutant Clean Up and Removal Additional Coverage (total of basic and increased limit).

The deductible selected for **FP 04 22** must be at least as large as the largest deductible applicable to any Coverage or Covered Property under the policy, and not less than \$1,000.

d. **Premium**

- (1) For each insured location indicated in **FP 04 22**, multiply the Class 10 – Frame – Broad – Type **3** Outbuilding rate in the Coverage **G** State Rates by .50. Multiply the resulting rate by the additional amount of insurance.

(2) **Deductible**

If a deductible higher than \$1,000 applies, multiply the premium developed in Paragraph (1) by the applicable factor from Paragraph **D.16.e**.

(3) **Farm Combination Credit**

Modification factor is not applicable.

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36. FARM PROPERTY COVERAGE (Cont.)

D. 16. d. (4) Individual Risk Premium Modification

Multiply the premium developed in Paragraph (2) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(5) Persistency Credit

Multiply the premium developed in Paragraph (4) by the factor from Rule 36.E.1.

(6) Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph (5) by the factor from Rule 36.E.2.

(7) Loss Free Credit

Multiply the premium developed in Paragraph (6) by the factor from Rule 36.E.3.

(8) Territorial Multiplier

Multiply the premium developed in Paragraph (7) by the factor from Rule 44.

(9) Organic Certification Credit

Multiply the premium developed in Paragraph (8) by the factor from Rule 43.J. if Organic Certification applies.

(10) Fixed Expense Credit

Multiply the premium developed in Paragraph (9) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

e. Factors For Pollutant Clean Up And Removal Deductibles

Deductible	Factor
2,500	.97
5,000	.95
10,000	.90
25,000	.75
50,000	.65

Table 36.D.16.e. Factors For Pollutant Clean Up And Removal Deductibles

17. Debris Removal Additional Limit Of Insurance

a. Description Of Coverage

Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions **FP 00 90** includes an additional coverage that provides for the removal of the debris of covered property for an amount equal to 25% of the loss (before application of the deductible). An additional 5% of the Limit of Insurance applying to the damaged property is available under this form if the debris removal expense exceeds the amount payable under the 25% limitation or if the sum of the physical damage loss and the debris removal expense exceeds the applicable Limit of Insurance. Under Debris Removal Increased Limit Of Insurance Endorsement **FP 04 21**, an additional amount of insurance (specific dollar amount) may be purchased, to apply when recovery under Form **FP 00 90** is exhausted.

b. Form

Use Endorsement **FP 04 21**.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 17. c. **Premium Determination**

- (1) For each location indicated in the Schedule of **FP 04 21**, multiply the Class 10 – Frame – Broad – Type **3** Outbuilding rate in the Coverage **G** rates by .50. Multiply the resulting rate by the selected amount of insurance.
- (2) **Deductible**
Multiply the premium developed in Paragraph (1) by the appropriate factor from Table **36.C.6.d**.
- (3) **Farm Combination Credit**
Modification factor is not applicable.
- (4) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (2) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- (5) **Persistency Credit**
Multiply the premium developed in Paragraph (4) by the factor from Rule **36.E.1**.
- (6) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (5) by the factor from Rule **36.E.2**.
- (7) **Loss Free Credit**
Multiply the premium developed in Paragraph (6) by the factor from Rule **36.E.3**.
- (8) **Territorial Multiplier**
Multiply the premium developed in Paragraph (7) by the factor from Rule **44**.
- (9) **Organic Certification Credit**
Multiply the premium developed in Paragraph (8) by the factor from Rule **43.J**, if Organic Certification applies.
- (10) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (9) by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

18. **Coverage E Or F – Cost Of Restoring Farm Operations Records – Increased Limit**

Form **FP 00 13** includes a \$2,000 limit for the cost of restoring farm operations records. This \$2,000 limit may be increased; enter the revised Limit of Insurance in the Declarations.

- a. Compute the premium by multiplying the Limit of Insurance in excess of \$2,000 (in thousands) by the Farm Property – NOC – Blanket rate in the Coverage **E** State Rate pages.
- b. **Protection**
Multiply the premium developed in Paragraph **a.** by the applicable protection factor from Rule **36.C.8.b**.
- c. **Deductible**
Does not apply.
- d. **Farm Combination Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.C.8.b**, if Farm Combination coverage applies.
- e. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **d.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 18. f. **Persistency Credit**
Multiply the premium developed in Paragraph e. by the factor from Rule **36.E.1.**
 - g. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph f. by the factor from Rule **36.E.2.**
 - h. **Loss Free Credit**
Multiply the premium developed in Paragraph g. by the factor from Rule **36.E.3.**
 - i. **Territorial Multiplier**
Multiply the premium developed in Paragraph h. by the factor from Rule **44.**
 - j. **Organic Certification Credit**
Multiply the premium developed in Paragraph i. by the factor from Rule **43.J.** if Organic Certification applies.
 - k. **Fixed Expense Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
19. **Grain Under Government Loan**
- a. **Description Of Coverage**
Grain which has been pledged as collateral for a loan issued by the Commodity Credit Corporation (CCC) of the U.S. Department of Agriculture (USDA), may be covered on a scheduled basis.
Use Grain Under Government Loan Endorsement **FP 04 27.**
 - b. **Schedule**
For each item of the Schedule of **FP 04 27**, indicate the Covered Causes of Loss (Basic, Broad or Special), the applicable Limit of Insurance, and the amount of the CCC/USDA loan.
If coverage is written for the full value of the mortgaged grain (loan value plus amount by which actual cash value exceeds the loan value), select the Limit of Insurance accordingly.
 - c. **Excess Coverage**
The endorsement provides coverage on an excess basis and does not provide insurance for the benefit of the CCC/USDA.
 - d. **Rating**
 - (1) For each item of the Schedule, select the appropriate Coverage **E** rate and multiply by .75; and
 - (2) Multiply the premium developed in Paragraph (1) by the applicable Limit of Insurance stated in the Schedule.
 - (3) **Protection**
Multiply the premium developed in Paragraph (2) by the applicable protection factor from Rule **36.C.8.b.**
 - (4) **Deductible**
Multiply the premium developed in Paragraph (3) by the appropriate factor from Table **36.C.6.d.**

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 19. d. (5) **Farm Combination Credit**

Multiply the premium developed in Paragraph (4) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.

(6) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (5) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(7) **Persistency Credit**

Multiply the premium developed in Paragraph (6) by the factor from Rule 36.E.1.

(8) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (7) by the factor from Rule 36.E.2.

(9) **Loss Free Credit**

Multiply the premium developed in Paragraph (8) by the factor from Rule 36.E.3.

(10) **Territorial Multiplier**

Multiply the premium developed in Paragraph (9) by the factor from Rule 44.

(11) **Organic Certification Credit**

Multiply the premium developed in Paragraph (10) by the factor from Rule 43.J. if Organic Certification applies.

(12) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (11) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

If permitted by the company, grain under government loan can be covered under Coverage E (with all other grain) or Coverage F, instead of Endorsement FP 04 27. Use the appropriate Coverage E or F rate. The rate modification described in Paragraph d.(1). is not applicable.

20. **Actual Cash Value – Dwellings And Appurtenant Private Structures**

a. **Description Of Coverage**

This option is available for specified tenant or owner-occupied dwellings. The endorsement provides for actual cash value loss valuation instead of replacement cost, applicable to specified dwelling(s) and their appurtenant private structures.

b. **Form**

Use Actual Cash Value – **Dwellings And Appurtenant Private Structures Endorsement FP 12 10 with Form FP 00 12.**

In the Schedule of **FP 12 10**, identify the dwelling(s) subject to actual cash value loss valuation.

c. **Charge**

There is no premium consideration for Endorsement **FP 12 10**.

21. **Unoccupancy And Vacancy Permit**

a. **Waiver Of Vacancy Restriction**

Under Form **FP 10 60** certain causes of loss are excluded with respect to buildings or structures vacant more than 30 **consecutive days**. By using **Unoccupancy And Vacancy Permit Endorsement FP 04 75**, coverage may be extended beyond 30 days for each building or structure (including contents) specified in the Schedule, for the time period specified in the Schedule.

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36. FARM PROPERTY COVERAGE (Cont.)

D. 21. b. Waiver Of Unoccupancy And Vacancy Loss Condition

Form **FP 00 90** imposes a loss condition which reduces the applicable Limit of Insurance by 50% if a building or structure is unoccupied or vacant more than 120 consecutive days. Under Endorsement **FP 04 75**, the Unoccupancy and Vacancy Loss Condition may be waived for periods of vacancy and unoccupancy beyond 120 days, for each building or structure (including contents) specified in the Schedule, for the time period specified in the Schedule.

c. Coverage Options

Either or both options (Waiver of Vacancy Restriction, Waiver of Unoccupancy and Vacancy Loss Condition) may be selected.

d. Form

Use Unoccupancy And Vacancy Permit Endorsement **FP 04 75**.

In the Schedule of **FP 04 75**, indicate for each option selected:

- (1) The insured location;
- (2) The number and description of each building(s) or structure(s) to which the option applies; and
- (3) The permit period.

e. Rule

The period of extension must not extend beyond the anniversary date of the policy.

f. Additional Premium

(1) General Rule

Calculate the additional premium pro rata for the time period(s) specified in the Schedule of **FP 04 75**.

(2) Additional Premium For The Waiver Of Vacancy Restriction

Apply the following appropriate factor(s) to the premiums before Fixed Expense Credit is calculated for each building or structure indicated in the Schedule of **FP 04 75**. Calculate the additional premium pro rata for the time period(s) specified in the Schedule of **FP 04 75**.

Basic	.15
--------------	-----

Broad Or Special	.20
-------------------------	-----

(3) Additional Premium For The Waiver Of Unoccupancy And Vacancy Loss Condition

Apply a factor of .25 to the premiums before Fixed Expense Credit is calculated for each building or structure indicated in the Schedule of **FP 04 75**. Calculate the additional premium pro rata for the time period(s) specified in the Schedule of **FP 04 75**.

22. Functional Building Valuation

a. Description Of Coverage

Functional Building Valuation Endorsement **FP 04 78** provides coverage for specifically scheduled buildings or structures which can be replaced with similar property that performs the same function as currently used but that is less costly. Coverage is provided:

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 22. a. (1) On a functional replacement cost basis when repair or replacement is contracted for within 180 days of the loss or damage.
- (2) On a market value basis if repair or replacement is not contracted for within 180 days of the loss or damage.
- b. **Form**
Attach Endorsement **FP 04 78** to Form **FP 00 12** or **FP 00 14**.
- c. **Eligibility**
Buildings or structures under Coverages **A, B** and **G**.
- d. **Rules**
 - (1) **Schedule**
Indicate the following in the Schedule or on the Declarations for each item to be covered:
 - (a) The "Insured Location" number.
 - (b) The number and description of the building or structure.
 - (c) The Limit of Insurance.
 - (2) **Blanket Insurance**
Do not write insurance on a blanket basis.
 - (3) **Other Insurance**
If there is other insurance covering the same building or structure as this insurance, the Functional Building Valuation insurance is primary.
- e. **Premium Computation**
 - (1) For **Farm Combination Dwellings** covered under **FP 00 12** multiply the appropriate building rate by 1.25 as follows. The resulting premium reflects the coverage provided by **FP 00 12** and **FP 04 78**.
 - (a) **Dwelling Key Premium**
Determine the appropriate Key Premium from Table **36.C. – 1 (R)**
 - (b) **Key Factor**
Multiply the premium determined in (a) by the appropriate Key Factor from Rule **36.C.8.a**.
 - (c) **Functional Building Valuation Factor**
Multiply the premium determined in (b) by 1.25.
 - (d) **Type**
Multiply the premium developed in Paragraph (c) by the applicable type classification factor from Rule **36.C.8.b**.
 - (e) **Construction**
Multiply the premium developed in Paragraph (d) by the applicable construction factor from Rule **36.C.8.b**.
 - (f) **Protection**
Multiply the premium developed in Paragraph (e) by the applicable protection factor from Rule **36.C.8.b**.
 - (g) **Non-Owner Occupancy**
For non-owner occupied dwellings, multiply the premium determined in (f) by the factor from Rule **36.C.8.b**.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 22. e. (1) (h) **Inflation Guard**

If coverage is applicable, multiply the premium in Paragraph (g) by the appropriate factor from Table 36.C.3.a.(1)

(i) **Age of Home Credit**

Multiply the premium developed in Paragraph (h) by the factor from Rule 36.E.4.

(j) **Supplemental Heating Devices**

Multiply the premium developed in Paragraph (i) by the factor from Rule 36.C.3.c. when the dwelling is equipped with supplemental heating devices.

(k) **Deductible**

Multiply the premium developed in Paragraph (j) by the appropriate factor from Table 36.C.3.d.

(l) **Farm Combination Credit**

Modification factor is not applicable.

(m) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (k) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(n) **Persistency Credit**

Multiply the premium developed in Paragraph (m) by the factor from Rule 36.E.1.

(o) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (n) by the factor from Rule 36.E.2.

(p) **Loss Free Credit**

Multiply the premium developed in Paragraph (o) by the factor from Rule 36.E.3.

(q) **Territorial Multiplier**

Multiply the premium developed in Paragraph (p) by the factor from Rule 44.

(r) **Organic Certification Credit**

Multiply the premium developed in Paragraph (q) by the factor from Rule 43.J. if Organic Certification applies.

(s) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (r) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

- (2) For **Other Than Farm Combination Dwellings** covered under **FP 00 12** multiply the appropriate building rate by 1.25 as follows. The resulting premium reflects the coverage provided by **FP 00 12** and **FP 04 78**.

(a) **Other Than Farm Combination Dwelling**

Determine the appropriate rate from Table 36.C. – 3 (R).

(b) **Functional Building Valuation Factor**

Multiply the premium determined in (a) by 1.25.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 22. e. (2) (c) **Construction**

Multiply the premium developed in Paragraph (b) by the applicable construction factor from Rule 36.C.8.b.

(d) **Protection**

Multiply the premium developed in Paragraph (c) by the applicable protection factor from Rule 36.C.8.b.

(e) **Inflation Guard**

If coverage is applicable, multiply the premium in Paragraph (d) by the appropriate factor from Table 36.C.6.a.(1).

(f) **Age of Home Credit**

Multiply the premium developed in Paragraph (e) by the factor from Rule 36.E.4.

(g) **Supplemental Heating Devices**

Multiply the premium developed in Paragraph (f) by the factor from Rule 36.C.6.c. when the dwelling is equipped with supplemental heating devices.

(h) **Deductible**

Multiply the premium developed in Paragraph (g) by the appropriate factor from Table 36.C.6.d.

(i) **Farm Combination Credit**

Modification factor is not applicable.

(j) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (h) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(k) **Persistency Credit**

Multiply the premium developed in Paragraph (j) by the factor from Rule 36.E.1.

(l) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (k) by the factor from Rule 36.E.2.

(m) **Loss Free Credit**

Multiply the premium developed in Paragraph (l) by the factor from Rule 36.E.3.

(n) **Territorial Multiplier**

Multiply the premium developed in Paragraph (m) by the factor from Rule 44.

(o) **Organic Certification Credit**

Multiply the premium developed in Paragraph (n) by the factor from Rule 43.J. if Organic Certification applies.

(p) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (o) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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FARM PROPERTY COVERAGE (Cont.)

- D. 22. e. (3) For buildings covered under **FP 00 14** multiply the appropriate Coverage **G** building rate by 1.25 by the selected Limit of Insurance as follow. The resulting premium reflects the coverage provided by **FP 00 14** and **FP 04 78**.
- (a) Determine the appropriate Coverage **G** rate from Table **36.C. – 6 (R)**.
 - (b) **Functional Building Valuation Factor**
Multiply the rate determined in (a) by 1.25.
 - (c) **Limit of Insurance**
Multiply the rate determined in (b) by the Limit of Insurance.
 - (d) **Construction**
Multiply the premium developed in Paragraph (c) by the applicable construction factor from Rule **36.C.8.b**.
 - (e) **Protection**
Multiply the premium developed in Paragraph (d) by the applicable protection factor from Rule **36.C.8.b**.
 - (f) **Inflation Guard**
If coverage is applicable, multiply the premium in Paragraph (e) by the appropriate factor from Table **36.C.6.a.(1)**.
 - (g) **Deductible**
Multiply the premium developed in Paragraph (f) by the appropriate factor from Table **36.C.6.d**.
 - (h) **Farm Combination Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule **36.C.8.b** if Farm Combination coverage applies.
 - (i) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (h) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (j) **Persistency Credit**
Multiply the premium developed in Paragraph (i) by the factor from Rule **36.E.1**.
 - (k) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (j) by the factor from Rule **36.E.2**.
 - (l) **Loss Free Credit**
Multiply the premium developed in Paragraph (k) by the factor from Rule **36.E.3**.
 - (m) **Territorial Multiplier**
Multiply the premium developed in Paragraph (l) by the factor from Rule **44**.
 - (n) **Organic Certification Credit**
Multiply the premium developed in Paragraph (m) by the factor from Rule **43.J** if Organic Certification applies.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 22. e. (3) (o) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (n) by the factor from Rule **43.H**.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

f. **Coverage Example**

The building to be insured is an old, fully equipped dairy barn, with a replacement cost of \$500,000, which the insured uses as a storage building for pieces of farm equipment. The cost to build a new building to be used for the same purpose is \$100,000. Using **FP 04 78** and specifically scheduling the dairy barn, the insured could choose a limit of \$100,000 to have coverage for the cost of the new building.

23. **Theft Exclusion**

a. **Explanation**

Theft coverage may be excluded for specified types of property on the described insured location.

b. **Form**

Use Theft Exclusion Endorsement **FP 10 14**.

In the Schedule of **FP 10 14**, indicate the type of property and the insured locations to which the theft exclusion applies.

c. **Premium Modification**

There is no premium consideration.

24. **Windstorm Or Hail Exclusion**

a. **Explanation**

Windstorm or hail coverage may be excluded for specified covered property on the described insured location.

b. **Form**

Use Windstorm Or Hail Exclusion Endorsement **FP 10 15**.

In the Schedule of **FP 10 15**, indicate the covered property and insured locations to which the windstorm or hail exclusion applies.

c. **Premium Modification**

There is no premium consideration.

25. **Vandalism Exclusion**

a. **Explanation**

Vandalism coverage may be excluded for specified covered property on the described insured location.

b. **Form**

Use Vandalism Exclusion Endorsement **FP 10 16**.

In the Schedule of **FP 10 16**, indicate the covered property and insured locations to which the vandalism exclusion applies.

c. **Premium Modification**

There is no premium consideration.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 26. **Farm Computer Coverage**

a. **Description Of Coverage**

Electronic data processing equipment and electronic media and records may be covered on either a scheduled or blanket basis against the Special Causes Of Loss and certain other insurable exposures unique to such property. There is no insurance under Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12** or Farm Property – Farm Personal Property Coverage Form **FP 00 13** for property covered under Farm Computer Coverage Endorsement **M2696F**, and the coverage provided under the endorsement is excess over any other applicable insurance. Therefore, if the policy is to include this coverage, do not enter an amount in the Coverage **E** schedule of limits of the Farm Property Declarations in the blank opposite "computers and related software".

See endorsement for further detail.

b. **Form**

Use Farm Computer Coverage Endorsement **M2696F**.

c. **Premium Determination**

(1) Refer to Table **36.D.26.c.(R)** in the State Rate pages. Do not apply a protection class modification. The deductible factor from Table **36.C.3.d.** or Table **36.C.6.d.** applies.

(2) **Farm Combination Credit**

Multiply the premium developed in Paragraph (1) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.

(3) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (2) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(4) **Persistency Credit**

Multiply the premium developed in Paragraph (3) by the factor from Rule **36.E.1.**

(5) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (4) by the factor from Rule **36.E.2.**

(6) **Loss Free Credit**

Multiply the premium developed in Paragraph (5) by the factor from Rule **36.E.3.**

(7) **Territorial Multiplier**

Multiply the premium developed in Paragraph (6) by the factor from Rule **44.**

(8) **Organic Certification Credit**

Multiply the premium developed in Paragraph (7) by the factor from Rule **43.J.** if Organic Certification applies.

(9) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (8) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 27. **Dwelling And Farm Building Replacement Cost Protection (Including Ordinance Or Law Coverage)**

a. **Description Of Coverage**

Dwelling And Farm Building Replacement Cost Protection (Including Ordinance Or Law Coverage) Endorsement **FP 04 04** provides replacement cost physical damage coverage and four consequential coverages on property covered under Coverage **A** or Coverage **G**.

- (1) The replacement cost direct physical damage coverage is subject solely to the Limit of Insurance shown in the Declarations for the buildings identified in the schedule of the endorsement.
- (2) The consequential property coverage for loss of building value due to enforcement of ordinance or law (Coverage **1** in Section **B.**) is also provided solely within the Limit of Insurance shown in the Declarations for the buildings scheduled on the endorsement.
- (3) The second and third consequential expense coverages, set forth in Section **B.** of the endorsement, comprise:
 - (a) Coverage **2** Demolition Cost Coverage, which addresses costs the insured incurs for having undamaged parts of the building demolished and cleared from the site, provided the demolition is required by ordinances or laws in force at the time of loss; and
 - (b) Coverage **3** Cost To Reconstruct in Compliance with Ordinance or Law, which, subject to certain restrictions, covers two kinds of cost increases incurred as a consequence of enforcement of ordinances or laws in effect at the time of loss, namely the increased costs to:
 - (i) Repair or replace the damaged portions of the building; and/or
 - (ii) Reconstruct or remodel the undamaged portions of the building whether or not demolition is required.
- (4) The consequential expenses insured under Coverage **4** (Section **C.** of the endorsement) covers the portion (if any) of reconstruction or repair costs that exceeds the applicable limit, but is unrelated to ordinances or laws.

b. **Form**

Attach Dwelling And Farm Building Replacement Cost Protection (Including Ordinance Or Law Coverage) Endorsement **FP 04 04** to Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12** and/or to Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form **FP 00 14**.

Do not attach both Endorsement **FP 04 04** and Expenses Consequential To Enforcement Of Ordinance Or Laws Affecting Building, Zoning Or Land Use Endorsement **FP 05 26** to the same policy. For description and use of Endorsement **FP 05 26**, see Paragraph **D.31.** of this rule.

c. **Eligibility**

Dwellings under Coverage **A** and Barns, Outbuildings And Other Farm Structures under Coverage **G**.

d. **Rules**

(1) **Insurance-To-Value Requirement**

Attach Dwelling And Farm Building Replacement Cost Protection (Including Ordinance Or Law Coverage) Endorsement **FP 04 04** only if the Limit of Insurance for the property to be covered represents 100% of its replacement cost.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 27. d. (2) **Schedule**

For each item to be covered, indicate on the Schedule or on the Declarations:

- (a) The number and description of the item.
- (b) The location of the item.
- (c) A single amount of coverage for Sections **B.2.**, **B.3.** and **C.** (No part of this amount applies to the direct physical destruction or damage loss or to the loss in value of undamaged portions of the building addressed in Sections **A.** and **B.1.** respectively.) Minimum coverage amount is \$10,000.

e. **Premium Determination**

(1) **Dwellings Under Farm Combination Coverage Only**

- (a) For each dwelling add the Amount of Coverage shown for it on the Schedule to the Limit of Insurance for the dwelling.
- (b) From the Key Factor corresponding to the amount determined in Step (a) subtract the Key Factor corresponding to the dwelling limit.
- (c) Multiply the result of Step (b) by .75.
- (d) Multiply the Key rate for the Basic Causes Of Loss by the result of Step (c).
- (e) If **Earthquake** is a Covered Cause of Loss multiply the result from Step (d) by 1.33.

(f) **Farm Combination Credit**

Modification factor is not applicable

(g) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (d) or (e) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(h) **Persistency Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule **36.E.1.**

(i) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (h) by the factor from Rule **36.E.2.**

(j) **Loss Free Credit**

Multiply the premium developed in Paragraph (i) by the factor from Rule **36.E.3.**

(k) **Territorial Multiplier**

Multiply the premium developed in Paragraph (j) by the factor from Rule **44.**

(l) **Organic Certification Credit**

Multiply the premium developed in Paragraph (k) by the factor from Rule **43.J.** if Organic Certification applies.

(m) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (l) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 27. e. (2) All Other Coverage **A** Or Coverage **G** Property
- (a) For each item shown on the Schedule multiply the appropriate rate unmodified by construction or protection factors for the Basic Causes of Loss by 1.10.
 - (b) Multiply the Amount of Coverage for the item by the result of Step (a).
 - (c) If **Earthquake** is a Covered Cause of Loss multiply the result from Step (b) by 1.33.
 - (d) **Farm Combination Credit**
Multiply the premium developed in Paragraph (b) or (c) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.
 - (e) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (d) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (f) **Persistency Credit**
Multiply the premium developed in Paragraph (e) by the factor from Rule **36.E.1.**
 - (g) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (f) by the factor from Rule **36.E.2.**
 - (h) **Loss Free Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule **36.E.3.**
 - (i) **Territorial Multiplier**
Multiply the premium developed in Paragraph (h) by the factor from Rule **44.**
 - (j) **Organic Certification Credit**
Multiply the premium developed in Paragraph (i) by the factor from Rule **43.J.** if Organic Certification applies.
 - (k) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (j) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

28. **Damage To Below-Ground Foundations And Related Consequential Expenses – Coverage G Only**

a. **Description Of Coverage**

Coverage on loss or damage to below-ground foundations of Coverage **G** property and the related consequential expenses (costs incurred for excavations, grading, filling or backfilling in the course of rebuilding a destroyed or damaged building or structure) may be provided as a Coverage Extension and an Additional Coverage, respectively. This insurance is provided under individual limits against all Covered Causes of Loss, including Earthquake (provided Causes Of Loss – Earthquake Form **FP 10 40** is attached to the policy), applicable to the buildings or structures standing on the foundations to be covered. Losses are settled at actual cash value, not under the Valuation provisions in Coverage Form **FP 00 14.**

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36. FARM PROPERTY COVERAGE (Cont.)

D. 28. b. Form

Use Coverage **G** – Damage To Below-Ground Foundations Of Buildings Or Structures, And Related Consequential Expenses Endorsement **FP 14 01**. If the insured does not intend to rebuild in the event of loss, leave the Additional Coverage column in the Schedule blank.

c. Premium Determination

- (1) Multiply each Limit of Insurance shown on the Schedule of **FP 14 01** by the rate applicable to the building identified by number opposite the Limit.
- (2) **Construction**
Multiply the premium developed in Paragraph (1) by the applicable construction factor from Rule **36.C.8.b.**
- (3) **Protection**
Multiply the premium developed in Paragraph (2) by the applicable protection factor from Rule **36.C.8.b.**
- (4) **Inflation Guard**
If coverage is applicable, multiply the premium in Paragraph (3) by the appropriate factor from Table **36.C.6.a.(1)**.
- (5) **Deductible**
Multiply the premium developed in Paragraph (4) by the appropriate factor from Table **36.C.6.d.**
- (6) **Farm Combination Credit**
Multiply the premium developed in Paragraph (5) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.
- (7) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (6) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan. This step is not applicable if Earthquake coverage applies.
- (8) **Persistency Credit**
Multiply the premium developed in Paragraph (7) by the factor from Rule **36.E.1.**
- (9) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (8) by the factor from Rule **36.E.2.**
- (10) **Loss Free Credit**
Multiply the premium developed in Paragraph (9) by the factor from Rule **36.E.3.**
- (11) **Territorial Multiplier**
Multiply the premium developed in Paragraph (10) by the factor from Rule **44.**
- (12) **Organic Certification Credit**
Multiply the premium developed in Paragraph (11) by the factor from Rule **43.J.** if Organic Certification applies.
- (13) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (12) by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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36. **FARM PROPERTY COVERAGE (Cont.)**

29. **Motorized Golf Cart Coverage**

a. **Description Of Coverage**

Motorized Golf Carts Endorsement **FP 05 27** provides coverage for:

- (1) Motorized golf carts, including permanently installed accessories, equipment and parts, owned by an insured; and
- (2) Accessories, equipment or parts designed or made solely for the cart that are not permanently installed provided such property is on an insured location or in or upon the golf cart off the insured location at the time of loss.

The Limit of Insurance for such property is 10 percent of the highest Limit for a golf cart on the Schedule.

Coverage for loss caused by collision is optional and only applies if declared on the Schedule of the endorsement.

b. **Form**

Attach Motorized Golf Carts Endorsement **FP 05 27** to Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12**.

c. **Eligibility**

To be eligible, the motorized golf cart must be of the type designed to carry up to four people on a golf course for the purpose of playing golf and must not have been built, or modified after manufacture to exceed a speed of 25 miles per hour on level ground.

Refer to endorsement for all conditions of coverage.

d. **Limit Of Insurance**

The Limit of Insurance is to be selected by the insured. However, that Limit should be representative of the actual cash value of the motorized golf cart including any permanently installed accessories, equipment and parts.

e. **Deductible**

A Deductible of \$500 applies separately to:

- (1) Each golf cart; and
- (2) Property described in Paragraph **A.1.b. Covered Property** of the endorsement if not in or upon a covered golf cart at the time of loss.

The \$500 Deductible replaces any other in the policy with respect to property covered under this endorsement.

f. **Premium Determination**

- (1) Rate each cart separately using the premium per \$1,000 of insurance. Refer to Table **36.D.29.f.(1)(R)** in the State Rate pages.

- (2) **Deductible**

Multiply the premium developed in Paragraph **(1)** by the appropriate factor from Table **36.C.6.d**.

- (3) **Farm Combination Credit**

Multiply the premium developed in Paragraph **(2)** by the factor from Rule **36.C.8.b** if Farm Combination coverage applies.

- (4) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph **(3)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 29. f. (5) **Persistency Credit**
Multiply the premium developed in Paragraph (4) by the factor from Rule 36.E.1.
- (6) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (5) by the factor from Rule 36.E.2.
- (7) **Loss Free Credit**
Multiply the premium developed in Paragraph (6) by the factor from Rule 36.E.3.
- (8) **Territorial Multiplier**
Multiply the premium developed in Paragraph (7) by the factor from Rule 44.
- (9) **Organic Certification Credit**
Multiply the premium developed in Paragraph (8) by the factor from Rule 43.J. if Organic Certification applies.
- (10) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (9) by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

30. **Coverage E – Scheduled Farm Personal Property Away From The Insured Location Coverage**

a. **Description Of Coverage**

- (1) Subject to Declarations entry, specific items of Coverage E property, such as grain and hay, farm products, poultry and portable buildings may be separately covered by endorsement when such items are located away from the insured location.
The same Covered Causes of Loss that apply to these items when they are located on the insured location also apply when they are located away from the insured location. Refer to the Farm Property – Farm Personal Property Coverage Form **FP 00 13** for further detail.
- (2) Bees, beehives and beehive accessories may be covered while away from the insured location, but bees may be covered only while they are in the beehive(s).

b. **Form**

Use Scheduled Farm Personal Property Away From The Insured Location Endorsement **FP 05 20**.

c. **Premium Determination**

- (1) Develop the premium for each item of farm personal property away from the insured location for which coverage on a scheduled basis is desired by multiplying the appropriate rate from the Coverage E rates by a factor of 1.10.
- (2) **Protection**
Multiply the premium developed in Paragraph (1) by the applicable protection factor from Rule 36.C.8.b.
- (3) **Deductible**
Multiply the premium developed in Paragraph (2) by the appropriate factor from Table 36.C.6.d.
- (4) **Farm Combination Credit**
Multiply the premium developed in Paragraph (3) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.

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36. **FARM PROPERTY COVERAGE (Cont.)**

- D. 30. c. (5) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (4) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- (6) **Persistency Credit**
Multiply the premium developed in Paragraph (5) by the factor from Rule 36.E.1.
- (7) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (6) by the factor from Rule 36.E.2.
- (8) **Loss Free Credit**
Multiply the premium developed in Paragraph (7) by the factor from Rule 36.E.3.
- (9) **Territorial Multiplier**
Multiply the premium developed in Paragraph (8) by the factor from Rule 44.
- (10) **Organic Certification Credit**
Multiply the premium developed in Paragraph (9) by the factor from Rule 43.J. if Organic Certification applies.
- (11) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (10) by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

31. **Expenses Consequential To Enforcement Of Ordinances Or Laws Affecting Building, Zoning Or Land Use (Coverages A and B Only)**

a. **Description Of Coverage**

Expenses Consequential To Enforcement Of Ordinances Or Laws Affecting Building, Zoning Or Land Use (Coverages A And B Only) Endorsement **FP 05 26** provides an additional percentage (starting at +10%) of the Coverage A Limit of Insurance to pay increased costs necessarily incurred to comply with an ordinance or law being enforced.

When this coverage is to be added, the policy may be endorsed with any of the percentages noted below to defray the increased expenses known or estimated by the insured, for material and labor to repair or replace the damaged property, to demolish undamaged portions of the damaged property, and to clear the site of resulting debris, all for compliance with the ordinance or law.

b. **Form**

Attach Expenses Consequential To Enforcement Of Ordinances Or Laws Affecting Building, Zoning Or Land Use (Coverages A And B Only) Endorsement **FP 05 26** to Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12**.

Do not attach both Endorsement **FP 05 26** and Dwelling And Farm Building Replacement Cost Protection (Including Ordinance Or Law Coverage) Endorsement **FP 04 04** to the same policy. For description and use of Endorsement **FP 04 04**, see Paragraph D.27. of this rule.

c. **Schedule**

Indicate in the Schedule the percentage of the Coverage A Limit that is to be available for covering the ordinance/law exposures described.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 31. d. **Premium Determination**

Multiply the dwelling premium computed in accordance with Paragraph **C. Premium Computation** in this Rule before Fixed Expense is calculated by the appropriate factor from the following table.

Percentage Of Coverage A Limit Applying As Additional Insurance Under This Endorsement	Factors For Coverage A limits Up To And Including \$140,000	Factors For All Other Coverage A Limits
10%	1.08	1.03
25%	1.22	1.09
50%	1.46	1.18
75%	1.63	1.25
100%	1.80	1.32
For each 25% increment above 100% of the Coverage A limit, add:	0.16	0.07

Table 36.D.31.d. Factors For Consequential Ordinance/Law Expense Coverage

32. **Assisted Living Care Coverage**

a. **Description Of Coverage**

- (1) The Farm property and liability coverage forms provide coverage to a named insured and resident relatives who are members of the insured's household, but not, in general, to non-household members, or even those related to an insured by blood, marriage or adoption. However, the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12** may be endorsed to provide personal property and additional living expense coverage to a person regularly residing in an assisted living care facility, provided the person is related to an insured by blood, marriage or adoption but is not a resident member of that insured's household. In addition, bodily injury and property damage liability coverage may be provided on an optional basis if the Farm Liability Coverage Form **FL 00 20** is made part of the policy.
- (2) An assisted living care facility is an establishment that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities.
An assisted living care facility is not a hospice, prison or rehabilitation facility.
- (3) The following basic limits are available:
 - (a) \$10,000 for Coverage **C** – Household Personal Property;
 - (b) \$6,000, at \$500 per month for Additional Living Expenses; and
 - (c) \$100,000 for Coverage **H** – Bodily Injury/Property Damage.

b. **Form**

Use Assisted Living Care Coverage Endorsement **FP 05 24**.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 32. c. **Premium Determination**

(1) **Basic Limits**

- (a) Refer to Table **36.D.32.c.(1)(R)** in the State Rate pages.
- (b) **Farm Combination Credit**
Multiply the premium developed in Paragraph (a) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.
- (c) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (b) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- (d) **Persistency Credit**
Multiply the premium developed in Paragraph (c) by the factor from Rule **36.E.1.**
- (e) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.2.**
- (f) **Loss Free Credit**
Multiply the premium developed in Paragraph (e) by the factor from Rule **36.E.3.**
- (g) **Territorial Multiplier**
Multiply the premium developed in Paragraph (f) by the factor from Rule **44.**
- (h) **Organic Certification Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule **43.J.** if Organic Certification applies.
- (i) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (h) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(2) **Increased Limits – Coverage C And/Or Coverage H**

For Coverage **H** under Assisted Living Care Coverage, increased limits may apply only if they apply under the basic coverage of **FL 00 20**. The limits and factors that apply under basic Coverage **H** must then be used.

For both Coverages **C** and **H** refer to the rates shown in Table **36.D.32.c.(2)(R)**.

(3) **Decreased Limits – Coverage H Only**

Decreased limits may apply under Assisted Living Care Coverage only if they apply under the basic coverage of **FL 00 20**. The limits and factors that apply under basic Coverage **H** must then be used. Refer to the rates shown in Table **36.D.32.c.(3)(R)** in the State Rate pages.

(4) **Examples Of Calculation**

Refer to Table **36.D.32c.4.(R)** in the State Rate pages.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 33. **Unit-Owners Coverage**

a. **Description**

Unit-Owners Coverage Endorsement **FP 05 23** may be issued to the owner(s) of a condominium or cooperative dwelling unit which is used principally for family residential purposes. The condominium or cooperative dwelling unit may be owned by an individual, a partnership, joint venture or other organization.

The endorsement provides both property and liability coverage and property and liability loss assessment coverage.

b. **Coverages**

(1) **Coverage A – Dwellings**

Coverage **A** of the endorsement provides coverage for loss or damage to Covered Property.

The Minimum Limit of Insurance for Coverage **A** is \$5,000. If increased limits are not desired, enter \$5,000 under Coverage **A** in the Schedule of the endorsement. The Coverage **A** limit may be increased.

(2) **Coverage B – Other Private Structures Appurtenant To Dwellings**

Coverage **B** – Other Private Structures Appurtenant To Dwellings is not provided under the endorsement.

(3) **Coverage C – Household Personal Property**

The Minimum Limit of Insurance for Coverage **C** is \$5,000. If increased limits are not desired, enter \$5,000 under Coverage **C** in the Schedule of the endorsement.

(4) **Coverage D – Loss Of Use**

The Limit of Insurance is 50% of the Coverage **C** Limit. The limit for Coverage **D** may be increased subject to Rule **36.D.4**.

(5) **Loss Assessment Coverage**

The endorsement provides coverage for loss assessments charged during the policy period against the insured, as the owner of the condominium or cooperative dwelling unit, by the corporation or association of property owners when the assessment is made as a result of:

(a) Direct loss or damage to property owned by all members collectively; or

(b) Liability not otherwise excluded, or liability for an act of a director, officer or trustee that occurs while a person is engaged in such capacity.

A \$1,000 Limit of Insurance is provided and applies separately to assessments made under **(5)(a)** or **(5)(b)**. If increased limits are not desired, enter \$1,000 under both the Property and Liability Loss Assessment Coverage in the Schedule of the endorsement. The Loss Assessments limits may be increased, up to a maximum of \$5,000, **separately** for property and liability loss assessments.

c. **Form**

Attach Unit-Owners Coverage Endorsement **FP 05 23** to Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12** and Farm Liability Coverage Form **FL 00 20**.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 33. d. **Eligibility**

The policy covering the condominium or cooperative dwelling unit must provide both first party property damage coverage and bodily injury and property damage liability coverage for the unit.

The unit must be either owner-occupied or owned by a partnership, a joint venture, or other organization and occupied by a member or stockholder of the partnership, joint venture or other organization and the insured must have an ownership interest in the partnership, joint venture or other organization that owns the unit. The unit may not be rented to others. However, covered structures other than the condominium or cooperative dwelling unit owned solely by the insured, and structures used solely as a private garage that are rented or held for rental, are covered under the endorsement.

The unit or the building in which the unit is located must have characteristics comparable to a Type 1 dwelling.

e. **Causes Of Loss**

The Schedule requires entry of either Basic or Broad to apply to both Coverages **A** and **C**. Special Coverage is not available under Unit-Owners Coverage Endorsement **FP 05 23**.

f. **Premium Determination**

(1) **Basic Limit**

For the condominium or cooperative dwelling unit:

(a) Use the Farm Combination Coverage Tenants Policy rate for the Coverage **C** Limit of Insurance selected for either the Basic or Broad Causes of Loss.

(b) Multiply the premium using the rate from Table **36.C. – 2 (R)** in the State Rate pages multiplied by modification factors based on construction and protection as appropriate.

(c) Multiply the result determined in **(b)** by a factor of .80.

(d) **Supplemental Heating Devices**

Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.C.3.c.** when the dwelling is equipped with supplemental heating devices.

(e) **Deductible**

Multiply the premium developed in Paragraph **(d)** by the appropriate factor from Table **36.C.3.d.**

(f) **Farm Combination Credit**

Modification factor is not applicable.

(g) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph **(e)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(h) **Persistency Credit**

Multiply the premium developed in Paragraph **(g)** by the factor from Rule **36.E.1.**

(i) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph **(h)** by the factor from Rule **36.E.2.**

(j) **Loss Free Credit**

Multiply the premium developed in Paragraph **(i)** by the factor from Rule **36.E.3.**

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 33. f. (1) (k) **Territorial Multiplier**

Multiply the premium developed in Paragraph (j) by the factor from Rule 44.

(l) **Organic Certification Credit**

Multiply the premium developed in Paragraph (k) by the factor from Rule 43.J. if Organic Certification applies.

(m) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (l) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(2) **Increased Limits for Coverage A – Dwellings**

(a) Refer to Table 36.D.33.f.(2)(a)(R) in the State Rate pages.

(b) **Construction**

Multiply the premium developed in Paragraph (a) by the applicable construction factor from Rule 36.C.8.b.

(c) **Protection**

Multiply the premium developed in Paragraph (b) by the applicable protection factor from Rule 36.C.8.b.

(d) **Supplemental Heating Devices**

Multiply the premium developed in Paragraph (c) by the factor from Rule 36.C.3.c. when the dwelling is equipped with supplemental heating devices.

(e) **Deductible**

Multiply the premium developed in Paragraph (d) by the appropriate factor from Table 36.C.3.d.

(f) **Farm Combination Credit**

Multiply the premium developed in Paragraph (e) by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.

(g) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (f) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(h) **Persistency Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule 36.E.1.

(i) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (h) by the factor from Rule 36.E.2.

(j) **Loss Free Credit**

Multiply the premium developed in Paragraph (i) by the factor from Rule 36.E.3.

(k) **Territorial Multiplier**

Multiply the premium developed in Paragraph (j) by the factor from Rule 44.

(l) **Organic Certification Credit**

Multiply the premium developed in Paragraph (k) by the factor from Rule 43.J. if Organic Certification applies.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 33. f. (2) (m) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (l) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(3) **Increased Limits for Loss Assessment Coverage;**

(a) Refer to Table **36.D.33.f.(2)(a)(R)** in the State Rate pages.

(b) **Farm Combination Credit**

Multiply the premium developed in Paragraph (a) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.

(c) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (b) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(d) **Persistency Credit**

Multiply the premium developed in Paragraph (c) by the factor from Rule **36.E.1.**

(e) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.2.**

(f) **Loss Free Credit**

Multiply the premium developed in Paragraph (e) by the factor from Rule **36.E.3.**

(g) **Territorial Multiplier**

Multiply the premium developed in Paragraph (f) by the factor from Rule **44.**

(h) **Organic Certification Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule **43.J.** if Organic Certification applies.

(i) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (h) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

34. **Coverage For Damage Sustained Only By Tires In Collisions, Upsets Or Overturns Of Mobile Agricultural Machinery And Equipment**

a. **Description of Coverage**

Tires (including tubes) mounted on mobile agricultural machinery and equipment may be covered, at actual cash loss valuation only, against loss or damage sustained in occurrences involving collision, upset or overturn that does not cause covered damage to the rest of the machinery or equipment.

No deductible applies to this coverage.

b. **Form**

Attach Coverage For Damage Sustained Only By Tires In Collisions, Upsets Or Overturns Of Mobile Agricultural Machinery And Equipment Endorsement **FP 10 57** to Farm Property Farm Personal Property Coverage Form **FP 00 13.**

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 34. c. **Rules**

(1) **Schedule**

Indicate in the Schedule:

- (a) For each group of tires, the make, type/size, Limit of Insurance per tire and number of tires;
- (b) For the machinery or equipment on which the tires are mounted, the type/function, make, model and year.

(2) **Premium Determination**

- (a) For each category of tires of a given type/size shown in the Schedule, multiply the Limit of Insurance per tire by the number of tires to determine the total Limit of Insurance. Multiply the result (in thousands) by the cotton pickers and combines – Special Coverage **E** /Farm Inland Marine rate from the State Rate pages Table **36.C. – 4 (R)**. No deductible factor applies.

- (b) **Farm Combination Credit**

Multiply the premium developed in Paragraph **(a)** by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.

- (c) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph **(b)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

- (d) **Persistency Credit**

Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.E.1.**

- (e) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph **(d)** by the factor from Rule **36.E.2.**

- (f) **Loss Free Credit**

Multiply the premium developed in Paragraph **(e)** by the factor from Rule **36.E.3.**

- (g) **Territorial Multiplier**

Multiply the premium developed in Paragraph **(f)** by the factor from Rule **44.**

- (h) **Organic Certification Credit**

Multiply the premium developed in Paragraph **(g)** by the factor from Rule **43.J.** if Organic Certification applies.

- (i) **Fixed Expense Credit**

Multiply the premium developed in Paragraph **(h)** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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36. **FARM PROPERTY COVERAGE (Cont.)**

D. 35. **Identity Fraud Expense Coverage**

a. **Description Of Coverage**

When optional Identity Fraud Expense Coverage Endorsement **FP 05 59** is attached to the insured's policy, \$15,000 of coverage is available to pay the expenses (a defined term) incurred by the insured as a direct result of any one identity fraud first discovered or learned of during the policy period. By definition such expenses include the costs of: notarizing fraud affidavits or similar documents; certified mail sent to law enforcement or credit agencies or to financial institutions; loss of income resulting from time taken off from work to meet and confer with law enforcement or credit agencies; loan application fees for re-applying for a loan after an application has been rejected solely because the lender received incorrect credit information; and reasonable attorneys' fees incurred, whether to defend lawsuits brought against the insured or to remove criminal or civil judgments.

Refer to Endorsement **FP 05 59** for definitions and special conditions specific to identity fraud expense coverage.

b. **Form**

Attach Identity Fraud Expense Coverage Endorsement **FP 05 59** to Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form **FP 00 12**.

c. **Deductible**

The deductible is \$250. No other deductible applies to identity fraud expense coverage.

d. **Premium Determination**

(1) Refer to Table **36.D.35.d.(R)** in the State Rate pages.

(2) **Farm Combination Credit**

Multiply the premium developed in Paragraph (1) by the factor from Rule **36.C.8.b.** if Farm Combination coverage applies.

(3) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (2) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(4) **Persistency Credit**

Multiply the premium developed in Paragraph (3) by the factor from Rule **36.E.1**.

(5) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (4) by the factor from Rule **36.E.2**.

(6) **Loss Free Credit**

Multiply the premium developed in Paragraph (5) by the factor from Rule **36.E.3**.

(7) **Territorial Multiplier**

Multiply the premium developed in Paragraph (6) by the factor from Rule **44**.

(8) **Organic Certification Credit**

Multiply the premium developed in Paragraph (7) by the factor from Rule **43.J** if Organic Certification applies.

(9) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (8) by the factor from Rule **43.H**.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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36. FARM PROPERTY COVERAGE (Cont.)

D. 36. Equipment Breakdown Coverage

a. Description of Coverage

Equipment Breakdown Coverage may be attached to provide coverage for fortuitous mechanical breakdown of covered pressure vessels, mechanical and electrical equipment, including dwelling equipment. The Equipment Breakdown Coverage includes coverage for \$25,000 for Expediting Expenses, \$25,000 for Hazardous Substance, \$25,000 for Spoilage, \$25,000 for Computers in the Dwelling and \$25,000 for Data Restoration.

For increased limits use the Equipment Breakdown Coverage Schedule **M2124F** and contact the HSB underwriter for rates and approval.

b. Forms

Attach Equipment Breakdown Coverage Endorsement **M2806F**.

If higher limits are selected also attach Equipment Breakdown Coverage Schedule **M2124F**.

c. Premium Determination

Apply the charge below to the applicable Coverage **A, B, D, E, and G, Disruption of Farming Operations** and **Earthquake Coverage G** premiums before the Fixed Expense Credit is calculated.

For owner occupied dwellings, the premium applicable to Coverage **A** and **B** shall be determined by multiplying the total premium for Coverages **A, B, C, and D** (before application of the Fixed Expense Credit) by **0.52** unless there is no coverage **C**, then multiple by **0.93**.

For owner occupied dwellings, the premium applicable to Coverage **D** shall be determined by multiplying the total premium for Coverages **A, B, C, and D** (before application of the Fix Expense Credit) by **0.07**.

Type of Farm	Charge
Type I Livestock (excl. horses) Animal Specialties (excl. bees, fish, worms)	2.5%
Type II Poultry, Dairy	3.9%
Type III Vegetables, Melons, Fruits, Tree, Nuts, Horticulture, Bees, Fish, Worms, Other Insect Farming	3.9%
Type IV Grain, Other Field Crops	2.5%
Type V Horses	2.5%

Table 36.D.36.c. Charge Based On Type Of Farm

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36. FARM PROPERTY COVERAGE (Cont.)

E. Other Credit Factors

1. Persistency Credit

When indicated in another manual rule, use the appropriate rating factor from the following table if the insured has been insured with Oregon Mutual for the number of years indicated.

Persistency Credit	
Number of Years Insured in Oregon Mutual	Rating Factor
0 – 4	1.00
5	.98
6	.96
7	.94
8	.92
Over 8	.90

Table 36.E.1. Factors For Persistency Credit

2. Insurance Score Factors (Does not apply in California)

When indicated in another manual rule, use the appropriate rating factor from the following table. If the named insured is an individual or a close family held corporation, multiply the premium by the factor depending on the **Insurance Score** of the insured covered by the policy who has the highest score. If the named insured is not an individual or a close family held corporation, use the "No Score" factor.

Initial Insurance Scores will be ordered on all new policies and all renewal policies issued after the implementation of this rule, covering an individual. If the insured requests a re-evaluation of an Insurance Score, we will reorder it and apply the new score at the next renewal of the policy. Insurance Scores will be re-evaluated no less frequently than every three years. The applicable rating factor will be applied – see Table **36.E.2.** in the State Rule Exception pages.

3. Loss Free Credit

When indicated in another manual rule, multiply the premium developed by .90 if the risk has been loss free for the previous two years.

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36. FARM PROPERTY COVERAGE (Cont.)

E. 4. Age Of Home Credit

When indicated in another manual rule, use the appropriate rating factor from the following table depending on the age of the residence premises.

Age Of Home Credit	
Age Of Home In Years	Rating Factor
0 – 1	.70
2	.73
3	.76
4	.79
5	.82
6	.85
7	.88
8	.91
9	.94
10	.97
Over 10	1.00

Table 36.E.4. Factors For Age Of Home Credit

37. FARM LIABILITY COVERAGE

A. Description Of Coverage And Basic Forms Applicable

1. Description Of Coverage

This standard coverage form provides the following coverages against claims arising from the policyholder's insured locations (as defined in the Coverage Form), farming operations and products, and insureds' personal activities, all on an occurrence basis:

- a. Bodily injury and property damage (Coverage **H**);
- b. Personal injury and advertising injury (Coverage **I**); and
- c. Medical payments (Coverage **J**).

2. Basic Forms Applicable

- a. Use Farm Liability Coverage Form **FL 00 20**.
- b. Attach Broad Form Nuclear Energy Liability Exclusion Endorsement **IL 00 21**.
- c. Attach Exclusion – Migrant And Seasonal Agricultural Worker Protection Act Endorsement **FL 01 16**.
- d. Attach Amendatory Endorsement **M2703F** (unless Limited Farm Pollution Liability Extension Endorsement **FL 04 30**, in accordance with Paragraph **O.**, is used instead). Amendatory Endorsement **M2703F** provides coverage for chemical drift liability involving physical injury to crops or animals (\$25,000 annual aggregate Limit of Insurance)

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37. FARM LIABILITY COVERAGE (Cont.)

- A. 2. e. Attach Exclusion – Computer Related Data Processing And Other Electronic Problems – With Exception For Bodily Injury On The Insured Location **FL 10 25**. This endorsement excludes all liability coverage for computer related data processing exposures except such coverage as is afforded for bodily injury occurring on the insured location.
- f. Attach Exclusion – Employment Related Practices **FL 10 01**. This endorsement amends Form **FL 00 20** and Endorsement **FL 04 65** by excluding bodily injury and personal injury liability arising out of employment related practices.
- g. Fungi Or Bacteria – Liability Exclusion Endorsement **FL 10 35** will be used with Farm Liability Coverage Form **FL 00 20** to exclude coverage for liability arising out of fungi or bacteria. Under this endorsement, coverage is excluded for bodily injury, property damage and personal injury caused by the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any fungi or bacteria on or within a building or a structure including its contents. The exclusion does not apply to fungi or bacteria that are, are on, or are contained in, a good or product intended for consumption.
- h. Attach Asbestos and Lead Exclusion Endorsement **M2358**.

B. Basic Coverages, Mandatory And Optional: Exposures Of Farming, Residence Premises, Personal Activities, and Residence Employees

1. Farming Exposures

a. Exposures Included In The Base Premium: Premises, Operations, Products

The base premium includes the charges for the following exposures:

- (1) All farm premises (exclusive of residence premises) maintained by named insured or spouse. These farm premises must be scheduled in the Farm Liability Coverage Form Declarations.
- (2) Farming operations conducted on the premises in **(1)**;
- (3) Named insured's farm products produced on the premises in **(1)**; and
- (4) Premises, operations and products liability for farms acquired by the insured during the present annual policy period. (In subsequent policy periods these farm premises must be scheduled on the Farm Liability Coverage Form Declarations.)

b. Other Exposures That May Be Covered For An Additional Charge: Household Members' Farms

Liability for the premises, operations and products exposures of farm premises maintained by a member of named insured's household is covered, provided these premises are scheduled in the Farm Liability Coverage Form Declarations and a charge is added to the base premium.

2. Residential/Personal Exposures

a. Exposures Included In The Base Premium: Principal Residence Premises/Personal Activities

The base premium includes the charges for the following exposures:

- (1) Premises liability exposure of named insured's principal dwelling whether on or off the farm premises, and personal liability exposure of insured's personal acts or omissions; and
- (2) Premises liability exposure of an additional dwelling located on a working farm described in the **FL 00 20** Declarations or acquired during the present annual policy period, provided the rental commences during that period.

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37. **FARM LIABILITY COVERAGE (Cont.)**

- B. 2. b. **Exposures That Must Be Covered For A Charge To Be Added To The Base Premium: Additional Dwellings On Insured Farm Location, Owned By Named Insured Or Spouse; Additional Dwellings Off Insured Farm Location, Owned By Named Insured Or Spouse And Rented To Others But At Least Partly Owner-Occupied.**
Premises liability coverage, which is mandatory for these exposures, is effected by attachment of a separate endorsement. See Paragraph F.2.
- c. **Exposures That May Be Covered For A Charge To Be Added To The Base Premium; Additional Dwellings Off Insured Farm Location, Owned By Named Insured Or Spouse And Rented To Others With No Part Owner-Occupied; Additional Dwellings On Or Off Insured Location, Owned By A Resident Member Of Named Insured's Household.**
Premises liability coverage, which is mandatory for these exposures, is effected by attachment of a separate endorsement. See Paragraph F.2.
- 3. **Residence Employee Exposures**
 - a. **Exposures Included In The Base Premium: First Two Employees**
The base premium includes a charge for bodily injury liability and medical payments for one or two residence employees. The limit of insurance for medical payments is \$1,000.
 - b. **Other Exposures That Must Be Covered For An Additional Charge**
For each residence employee beyond the second, an additional charge must be made.
- C. **Eligibility**
 - 1. The farm liability coverage cannot be written for:
 - a. Farms owned or controlled by food manufacturers or processors and operated principally for the purpose of supplying the manufacturing or processing operations, whether or not such operations are on the farm premises.
 - b. Farms where the principal purpose is to operate freezing or dehydrating plants or poultry factories.
 - c. Farms with farm dwellings with more than four families.
 - d. Farms on which farm dwellings are used for business purposes.
 - e. Workers' compensation coverage except when required by law.
 - 2. Refer to Rule 38. to write coverage ineligible under Paragraphs a., b., c. or d.
- D. **Company Rates**
 - 1. **Location**
Company rates are shown in the State Rate pages opposite the identifying code number of the classification.
 - 2. **Basic Limits**
 - a. Company rates are shown at the following limits:
 - (1) \$100,000 each occurrence for bodily injury and property damage liability. Subject to this limit:
 - (a) \$100,000 per fire for fire damage to premises rented to the named insured, unless the policy is issued with an "occurrence" limit of \$25,000 or \$50,000, then the fire damage limit is \$25,000 or \$50,000 respectively. For optional limits refer to Paragraph 3.c.
 - (b) \$5,000 per person for medical payments, except for medical payments for covered employees, which are shown at limits of \$1,000 per person.

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37. FARM LIABILITY COVERAGE (*Cont.*)

- D. 2. a. (2) \$100,000 per person or organization for personal injury or advertising injury liability.
- (3) The limits provided under Paragraphs (1) and (2) are subject to a \$200,000 General Aggregate Limit.
- b. **The General Aggregate Limit** applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).
- c. **The General Aggregate Limit** may, at the Company's sole discretion, be reinstated when exhausted. Refer to the company.
- 3. **Optional Limits**
 - a. Refer to State Rates pages for Optional Limits Factors for Liability Coverage.
 - b. The basic medical payments limit does not increase with the increase in liability limits in Paragraph a. Medical payment limit above \$5,000 is not available. (For Employers' Liability increased limits up to \$5,000, refer to Table 37.D.3.b.(R) in the State Rate pages - Class Codes 01350, 01352 and 01415)
 - c. The Fire Damage Limit (tenant's fire legal liability for the rented premises) can be increased to amounts of \$200,000, \$250,000, \$300,000, \$400,000, \$500,000 and over \$500,000 - Class Code 01997.

Use the applicable charges shown in Table 37.D.3.c.(R) in the State Rate pages.

The Fire Damage Limit can also be decreased to \$50,000. Use the credit shown in the State Rate pages for a policy issued with an "occurrence" limit of \$100,000 or more.
- 4. **Refer To Company**
Classifications which show the symbol (a) instead of a specific rate must be referred to the company for rating.
- E. **Premium Computation**
 - 1. Determine the base premium in accordance with Paragraph F.
 - 2. For each additional mandatory or optional coverage applicable to the farm being insured, multiply the appropriate basis of premium by the appropriate base rate.
 - 3. Select the appropriate increased or decreased liability limit and corresponding factor from Table 37.D.3.a. Optional Limits Factors – Liability (Cov. H/I); factors for limits not shown may be developed by interpolation. Multiply each basic limits premium by this factor.
 - 4. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 3. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - 5. **Farm Combination Credit**
Multiply the premium developed in Paragraph 4. by the factor from Rule 36.C.8.b. if Farm Combination coverage applies.
 - 6. **Persistency Credit**
Multiply the premium developed in Paragraph 5. by the factor from Rule 36.E.1.
 - 7. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 6. by the factor from Rule 36.E.2.

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37. FARM LIABILITY COVERAGE (*Cont.*)

E. 8. **Loss Free Credit**

Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.3.

9. **Territorial Multiplier**

Multiply the premium developed in Paragraph 8. by the factor from Rule 44.

10. **Organic Certification Credit**

Multiply the premium developed in Paragraph 9. by the factor from Rule 43.J. if Organic Certification applies.

11. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 10. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

F. **Base Premium**

1. Exposures Described In Paragraphs B.1., B.2.a. and B.3.a.: Farming, Residential/Personal, Residence Employees:

- a. Coverage encompasses the premises, operations and products exposures of all farms described in the Farm Liability Coverage Form Declarations or acquired during the current policy year, and the personal exposures described under the headings Residential/Personal and Residence Employee in Paragraphs B.2.a. and B.3.a. respectively.
- b. The rate is based on the Type of Farm and the combined acreage of all:
 - (1) Premises that are subject to Paragraph B.1.a.; and
 - (2) Premises that are scheduled on the Farm Liability Coverage Form Declarations and described under (1) or (2) of Paragraph B.2.a.

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37. FARM LIABILITY COVERAGE (Cont.)

- F. 1. c. Determine the Type of Farm from Table **37.F.1.c.**

Type I Farms*	Type II Farms*	Type III Farms*	Type IV Farms*	Type V Farms*
Livestock (excl. horses) Animal specialties (excl. bees, fish, worms)	Poultry Dairy	Vegetables Melons Fruits Tree nuts Horticulture Bees, fish, worms Other insect farming	Grain Other field crops	Horses
*The highest risk exposure on the farm establishes the Type of Farm (Type V being the highest, Type IV the lowest). In determining the applicable Type of Farm, disregard any exposure on the farm that accounts for less than 15 percent of total gross income from farming.				

Table 37.F.1.c. Type Of Farm Categories

- d. From Table **37.F.1.d.**, determine the applicable 5-digit class code on the basis of Type of Farm and total acreage.

Type I Farms		Type II Farms		Type III Farms		Type IV Farms		Type V - Farms	
Total Acreage	Class Code*	Total Acreage	Class Code*	Total Acreage	Class Code*	Total Acreage	Class Code*	Total Acreage	Class Code*
160 or less	01518 01519	160 or less	02518 02519	160 or less	03518 03519	160 or less	06518 06519	160 or less	07518 07519
161 to 500	01618 01619	161 to 500	02618 02619	161 to 500	03618 03619	161 to 500	06618 06619	161 to 500	07618 07619
501 to 2,000	01718 01719	501 to 2,000	02718 02719	501 to 2,000	03718 03719	501 to 2,000	06718 06719	501 to 2,000	07718 07719
Over 2,000	01818 01819	Over 2,000	02818 02819	Over 2,000	03818 03819	Over 2,000	06818 06819	Over 2,000	07818 07819
*For farms that are non-owner operated in whole or part, use 9 instead of 8 as the fifth digit of the class code									

Table 37.F.1.d. Determination of Farm Class Codes

- e. Use State Rates shown in **Table 37.F.(R)** for the class code determined in Table **37.F.1.d.**
- f. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph e. by the applicable factor from Table **37.D.3.a.**
- g. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph f. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- h. **Farm Combination Credit**
Multiply the premium developed in Paragraph g. by the factor from Rule **37.E.4.** if Farm Combination coverage applies.
- i. **Persistency Credit**
Multiply the premium developed in Paragraph h. by the factor from Rule **36.E.1.**
- j. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph i. by the factor from Rule **36.E.2.**

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37. FARM LIABILITY COVERAGE (Cont.)

- F. 1. k. **Loss Free Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule **36.E.3.**
- l. **Territorial Multiplier**
Multiply the premium developed in Paragraph k. by the factor from Rule **44.**
- m. **Organic Certification Credit**
Multiply the premium developed in Paragraph l. by the factor from Rule **43.J.** if Organic Certification applies..
- n. **Fixed Expense Credit**
Multiply the premium developed in Paragraph l. by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- 2. **Exposures Described In Paragraphs B.2.b. And B.2.c.: Additional Owned Dwellings**
 - a. Coverage under these classifications applies to premises liability in connection with additional dwellings, whether on or off the farm premises, owned by named insured, spouse or a member of named insured's household, including dwellings rented or held for rental or sale (except dwellings provided for in Paragraph **B.2.a.(2)**).
 - b. Use State Rates shown in Table **37.E.(R)**.
 - c. Exposure basis is each additional dwelling. (The exposure basis does not reflect the number of family units.)
 - d. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph c. by the applicable factor from Table **37.D.3.a.**
 - e. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph d. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - f. **Farm Combination Credit**
Multiply the premium developed in Paragraph e. by the factor from Rule **37.E.4.** if Farm Combination coverage applies.
 - g. **Persistency Credit**
Multiply the premium developed in Paragraph f. by the factor from Rule **36.E.1.**
 - h. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph g. by the factor from Rule **36.E.2.**
 - i. **Loss Free Credit**
Multiply the premium developed in Paragraph h. by the factor from Rule **36.E.3.**
 - j. **Territorial Multiplier**
Multiply the premium developed in Paragraph i. by the factor from Rule **44.**
 - k. **Organic Certification Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule **43.J.** if Organic Certification applies.
 - l. **Fixed Expense Credit**
Multiply the premium developed in Paragraph k. by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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37. FARM LIABILITY COVERAGE (Cont.)

F. 2. m. Use:

- (1) Code **09250** for one-family dwelling occupied by owner.
- (2) Code **09251** for one-family dwelling not occupied by owner.
- (3) Code **09252** for two-to-four family dwelling at least partly occupied by owner.
- (4) Code **09253** for two-to-four family dwelling not occupied by owner.

n. Use Additional Residence Rented To Others Endorsement **FL 04 06**.

3. **Exposures Described In Paragraph B.3.b.: Residence Employees (Over Two Employees)**

- a. Coverage under this classification applies to employers liability (including employees' medical payments) because of bodily injury to the insured's or spouse's residence employees, starting with the third. (For coverage in connection with the first two employees, see Paragraph **B.3.a.**) Coverage does not apply to any employee for whom the insured has a policy providing workers' compensation or occupational disease benefits, nor to any employee for whom benefits are in whole or part either payable or required to be provided under any workers' compensation or occupational disease law.
- b. Use State Rates shown in Table **37.E.(R)**.
- c. Exposure basis is each residence employee, starting with the third.
- d. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **c.** by the applicable factor from Table **37.D.3.a.**
- e. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **d.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- f. **Farm Combination Credit**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **37.E.4.** if Farm Combination coverage applies.
- g. **Persistency Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.1.**
- h. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **36.E.2.**
- i. **Loss Free Credit**
Multiply the premium developed in Paragraph **h.** by the factor from Rule **36.E.3.**
- j. **Territorial Multiplier**
Multiply the premium developed in Paragraph **i.** by the factor from Rule **44.**
- k. **Organic Certification Credit**
Multiply the premium developed in Paragraph **j.** by the factor from Rule **43.J.** if Organic Certification applies.
- l. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **k.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- m. Use Code **01415**.

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37. FARM LIABILITY COVERAGE (Cont.)

G. Businesses And Incidental For-Profit Activities

1. Businesses

- a. The policy may be extended to cover a particular business at an insured location (other than certain businesses carried on by minors, which are addressed by the limited exception to the business pursuits exclusion in Farm Liability Coverage Form **FL 00 20**). Use Business Activities Endorsement **FL 04 43**.

The business must be described in Item **B**. (Description of Business) of the Schedule. In cases where rental of space to others constitutes the business activity, describe what the space will be used for by the lessee.

This endorsement contains a liquor liability exclusion. Indicate in the Schedule if the exclusion does not apply. If the exclusion does not apply, a charge shall be made in addition to any charge otherwise made for this endorsement. If Liquor Liability is to be covered, rate it from **Division Six** – General Liability of the Commercial Lines Manual.

- b. For rating refer to **Division Six** – General Liability of the Commercial Lines Manual.

2. Incidental For-Profit Activities

Certain for-profit activities conducted on the premises must be identified on the Declarations and are subject to a charge. (However, if such incidental activities involve maintaining a roadside farm stand refer to Paragraph **N.2**.) Refer to Underwriter for eligibility and rating.

H. Additional Insureds

1. Additional Insureds

Use one of the Additional Insured endorsements listed below and enter the required information in its Schedule, to add any of the following as an insured under Form **FL 00 20**. Coverage is defined and limited by the provisions of the endorsement used; refer to the endorsement for further detail.

a. No Additional Charge

- (1) Person or organization from whom the insured leases land use **M2682F**.
The land must not contain buildings or other structures and must qualify as an insured location in accordance with the definition in Form **FL 00 20**.
- (2) Person or organization that exercises financial control over the insured use **M2688F**.
- (3) Non-resident co-owner of a non-farm initial or additional residence use **M2687F**.
- (4) Relative who co-owns and helps operate the farm but resides away from the farm premises and is not a partner or corporate member of the farm business entity use **M2803F**.
- (5) Designated Person or Organization use **M2802F**.

b. Additional Premium Charge

- (1) Person or organization (or their real estate manager) from whom the insured leases farm premises including buildings or other structures use **M2683F**.
 - (a) Make an additional charge of \$25.
 - (b) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **(a)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (c) **Farm Combination Credit**
Multiply the premium developed in Paragraph **(b)** by the factor from Rule **37.E.4** if Farm Combination coverage applies.

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37. FARM LIABILITY COVERAGE (*Cont.*)

H. 1. b. (1) (d) **Persistency Credit**

Multiply the premium developed in Paragraph (c) by the factor from Rule 36.E.1.

(e) **Insurance Score** (Does **not** apply in the state of CA)

Multiply the premium developed in Paragraph (d) by the factor from Rule 36.E.2.

(f) **Loss Free Credit**

Multiply the premium developed in Paragraph (e) by the factor from Rule 36.E.3.

(g) **Territorial Multiplier**

Multiply the premium developed in Paragraph (f) by the factor from Rule 44.

(h) **Organic Certification Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule 43.J. if Organic Certification applies.

(i) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (h) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(j) Use code **92683**.

Exposure basis is each additional insured.

(2) Independently contracting operator-manager of a farm owned by or leased to the insured use **M2684F**.

The farm must qualify as an insured location in accordance with the definition in Form **FL 00 20**.

(a) Make an additional charge of \$50.

(b) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (a) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(c) **Farm Combination Credit**

Multiply the premium developed in Paragraph (b) by the factor from Rule 37.E.4. if Farm Combination coverage applies.

(d) **Persistency Credit**

Multiply the premium developed in Paragraph (c) by the factor from Rule 36.E.1.

(e) **Insurance Score** (Does **not** apply in the state of CA)

Multiply the premium developed in Paragraph (d) by the factor from Rule 36.E.2.

(f) **Loss Free Credit**

Multiply the premium developed in Paragraph (e) by the factor from Rule 36.E.3.

(g) **Territorial Multiplier**

Multiply the premium developed in Paragraph (f) by the factor from Rule 44.

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37. FARM LIABILITY COVERAGE (*Cont.*)

H. 1. b. (2) (h) **Organic Certification Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule 43.J. if Organic Certification applies.

(i) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (h) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(j) Use code **92684**.

Exposure basis is each additional insured.

(3) Person or organization from whom the insured leases equipment use **M2685F**.

The additional insured is not covered for occurrences involving sole negligence of that person or organization.

(a) Make an additional charge of \$25 for each piece of equipment leased, up to a maximum of \$100 for each additional insured on any one lease agreement.

(b) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (a) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(c) **Farm Combination Credit**

Multiply the premium developed in Paragraph (b) by the factor from Rule 37.E.4. if Farm Combination coverage applies.

(d) **Persistency Credit**

Multiply the premium developed in Paragraph (c) by the factor from Rule 36.E.1.

(e) **Insurance Score** (Does **not** apply in the state of CA)

Multiply the premium developed in Paragraph (d) by the factor from Rule 36.E.2.

(f) **Loss Free Credit**

Multiply the premium developed in Paragraph (e) by the factor from Rule 36.E.3.

(g) **Territorial Multiplier**

Multiply the premium developed in Paragraph (f) by the factor from Rule 44.

(h) **Organic Certification Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule 43.J. if Organic Certification applies.

(i) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (h) by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(j) Use code **92685**.

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37. FARM LIABILITY COVERAGE (Cont.)

- H. 1. b. (4) Vendor who sells or distributes the insured's product use **M2686F**.
 - (a) Charge 2% to 10% of the total Coverage **H** and **I** premiums before Fixed Expense Credit is calculated.
 - (b) Use code **92686**.
- 2. **Resident Of The Insured's Household**
 - a. Use Additional Insured And Residence Premises Endorsement **FL 04 07** to cover a resident of the named insured's household, if the resident is not included in the definition of insured in Form **FL 00 20**.
 - b. Use State Rates shown in Table **37.E.(R)**.
 - c. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **b.** by the applicable factor from Table **37.D.3.a.**
 - d. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **c.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - e. **Farm Combination Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **37.E.4.** if Farm Combination coverage applies.
 - f. **Persistency Credit**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.1.**
 - g. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.2.**
 - h. **Loss Free Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **36.E.3.**
 - i. **Territorial Multiplier**
Multiply the premium developed in Paragraph **h.** by the factor from Rule **44.**
 - j. **Organic Certification Credit**
Multiply the premium developed in Paragraph **i.** by the factor from Rule **43.J.** if Organic Certification applies.
 - k. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **j.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
 - l. Use Code **04122**.
Exposure basis is each additional insured.
- 3. **Executors, Administrators, Trustees Or Beneficiaries**
Executors, Administrators, Trustees or Beneficiaries of the insured's estate may be covered as additional insureds. Coverage may also be afforded in the case of a living trust.
Use Additional Insured – Executors, Administrators, Trustees Or Beneficiaries Endorsement **FL 04 32**; there is no charge for attachment of this endorsement.

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37. FARM LIABILITY COVERAGE (Cont.)

I. Employers Liability And Employees Medical Payments

1. Residence Employees

- a. For description of coverage and premium determination refer to Paragraph **B.3.** and Paragraph **F.3.**
- b. The medical payments limit may be increased up to \$5,000. Refer to Table **37.D.3.b.(R)** in the State Rate pages for the increased limits charges.
- c. Designated residence employees of a designated insured may be excluded from coverage, by using Liability Exclusion – Residence Employees Of Designated Insureds Endorsement **FL 10 10.**

2. Farm Employees

- a. Coverage may be provided for farm employers' liability and farm employees' medical payments. Designated employees may be excluded with respect to liability and medical payments coverage.
- b. Use Farm Employers' Liability And Farm Employees Medical Payments Insurance Endorsement **FL 04 65.**
- c. Limits of Insurance under **FL 04 65** are independent of those for Coverages **H, I** and **J**, and are not subject to the General Aggregate Limit. The selected Limits of Insurance (liability – each occurrence; medical payments – each farm employee) should be entered in the Schedule of **FL 04 65.**
- d. Indicate in the Schedule of **FL 04 65** whether or not the premium is an advance premium subject to audit by the company.
- e. Indicate in the Schedule of **FL 04 65** whether or not the Optional Extension Of Coverage – Occurrences Involving "Motor Vehicles"/"Autos", Watercraft is to apply with respect to expenses for bodily injury to a farm employee injured away from the farm location shown in the Declarations, in an occurrence involving his or her maintenance, use, operation, or loading or unloading of a motor vehicle or watercraft.
- f. Use the rates shown in Table **37.E.(R).**
- g. Exposure basis is \$1,000 of payroll.
- h. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **g.** by the applicable factor from Table **37.D.3.a.**
- i. If granting the optional coverage described in Paragraph **e.**, use Code **01352**; if not, use Code **01350**. Medical Payments for these classes are for a limit of \$1,000. For increased medical payments limits use Table **37.D.3.b.(R).**
- j. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **i.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- k. **Farm Combination Credit**
Multiply the premium developed in Paragraph **j.** by the factor from Rule **37.E.4.** if Farm Combination coverage applies.
- l. **Persistency Credit**
Multiply the premium developed in Paragraph **k.** by the factor from Rule **36.E.1.**
- m. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **l.** by the factor from Rule **36.E.2.**

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37. FARM LIABILITY COVERAGE (Cont.)

J. 12. Loss Free Credit

Multiply the premium developed in Paragraph **11.** by the factor from Rule **36.E.3.**

13. Territorial Multiplier

Multiply the premium developed in Paragraph **12.** by the factor from Rule **44.**

14. Organic Certification Credit

Multiply the premium developed in Paragraph **13.** by the factor from Rule **43.J.** if Organic Certification applies.

15. Fixed Expense Credit

Multiply the premium developed in Paragraph **14.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

K. Watercraft

1. This classification applies to private passenger watercraft, other than boats included in Form **FL 00 20.** This classification excludes:

- a. Watercraft while used to carry persons for a charge or while rented to others;
- b. Bodily injury to any employee of the insured, while engaged in the employment of the insured, if such employee's principal duties are in connection with the maintenance or use of the watercraft; and
- c. Watercraft while operated in, or in practice for, any prearranged or organized race, speed contest or other similar competition, except for sailing vessels (with or without auxiliary power) or predicted long cruises.
- d. Boats not described in Paragraphs **15.a.** and **15.b.**

2. Exposure basis is each watercraft.

3. Use the rates shown in Table **37.E.(R).**

4. Optional Limits Factors – Liability Coverage H/I

Multiply the premium developed in Paragraph **3.** by the applicable factor from Table **37.D.3.a.**

5. Individual Risk Premium Modification

Multiply the premium developed in Paragraph **4.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

6. Farm Combination Credit

Multiply the premium developed in Paragraph **5.** by the factor from Rule **37.E.4.** if Farm Combination coverage applies.

7. Persistency Credit

Multiply the premium developed in Paragraph **6.** by the factor from Rule **36.E.1.**

8. Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph **7.** by the factor from Rule **36.E.2.**

9. Loss Free Credit

Multiply the premium developed in Paragraph **8.** by the factor from Rule **36.E.3.**

10. Territorial Multiplier

Multiply the premium developed in Paragraph **9.** by the factor from Rule **44.**

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37. FARM LIABILITY COVERAGE (Cont.)

K. 11. Organic Certification Credit

Multiply the premium developed in Paragraph **10.** by the factor from Rule **43.J.** if Organic Certification applies.

12. Fixed Expense Credit

Multiply the premium developed in Paragraph **11.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

- 13.** Coverage must be written to the expiration of the policy. It is permissible, however, to stipulate for any watercraft eligible under this rule, the navigational period for each year. Premium is to be adjusted on a pro rata basis.

- 14.** Use Watercraft Endorsement **FL 04 83.**

- 15.** Use the following Class Codes for motor powered watercrafts and sailboats:

- a. Watercraft powered by outboard, inboard or inboard-out drive engines or motors:

Length Of Watercraft		
Horsepower*	Up To 15 Feet	Over 15 To 26 Feet
Up to 50+	04601	04602
51 to 100	04603	04604
101 to 150	04605	04606
151 to 200	04607	04608
Over 200	04609	04610
*Accumulate total horsepower if two or more motors are regularly used together with any single watercraft owned by insured. +Outboard engines or motors of up to 25 horse-power or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the Farm Liability Coverage Form.		

Table 37.K.15.a. Classifications For Motor Powered Watercraft

- b. Sailboats with or without auxiliary power.

Overall Length/Feet	Class Code
26 to 40 feet+	04621
Over 40 feet	Not Eligible
+Outboard engines or motors of up to 25 horse-power or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the Farm Liability Coverage Form.	

Table 37.K.15.b. Classifications For Sailboats

L. Insured's Liability While Employed By Others In Nonfarm Jobs

- 1. These classifications apply to the types of employment listed in Paragraphs 2. through 4. They do not apply to liability:**

- a. Arising out of a business of which the insured is the sole owner or in which he or she is a partner;
- b. Due to bodily injury to any employee of the insured; or
- c. Incurred by individuals such as principals or supervisors whose chief duties are of an administrative nature.

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37. FARM LIABILITY COVERAGE (*Cont.*)

- L. 2. **Salesmen, collectors and messengers, including installation, demonstration or servicing operations:**
 - a. Use the rates shown in Table **37.E.(R)**.
 - b. Exposure basis is each person.
 - c. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **b.** by the applicable factor from Table **37.D.3.a.**
 - d. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **c.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - e. **Farm Combination Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **37.E.4.** if Farm Combination coverage applies.
 - f. **Persistency Credit**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.1.**
 - g. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.2.**
 - h. **Loss Free Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **36.E.3.**
 - i. **Territorial Multiplier**
Multiply the premium developed in Paragraph **h.** by the factor from Rule **44.**
 - j. **Organic Certification Credit**
Multiply the premium developed in Paragraph **i.** by the factor from Rule **43.J.** if Organic Certification applies.
 - k. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **j.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
 - l. Use Insureds Liability While Employed By Others In Nonfarm Jobs Endorsement **FL 04 77.**
 - m. Use Code **03210.**
- 3. **Clerical office employees, salesmen, collectors and messengers, but no installation, demonstration or servicing operations:**
 - a. Use the rates shown in Table **37.E.(R)**.
 - b. Exposure basis is each person.
 - c. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **b.** by the applicable factor from Table **37.D.3.a.**
 - d. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **c.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - e. **Farm Combination Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **37.E.4.** if Farm Combination coverage applies.

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37. FARM LIABILITY COVERAGE (*Cont.*)

- L. 3. f. **Persistency Credit**
Multiply the premium developed in Paragraph e. by the factor from Rule 36.E.1.
- g. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph f. by the factor from Rule 36.E.2.
- h. **Loss Free Credit**
Multiply the premium developed in Paragraph g. by the factor from Rule 36.E.3.
- i. **Territorial Multiplier**
Multiply the premium developed in Paragraph h. by the factor from Rule 44.
- j. **Organic Certification Credit**
Multiply the premium developed in Paragraph i. by the factor from Rule 43.J. if Organic Certification applies.
- k. **Fixed Expense Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- l. Use Endorsement **FL 04 77**.
- m. Use Code **03320**.
- 4. **Jobs not otherwise classified:**
 - a. Refer to company for rating; exposure basis is each person.
 - b. Use Endorsement **FL 04 77**.
 - c. Use Code **03909**.
- M. **Custom Farming**
 - 1. This classification applies to farming operations performed by the insured for others for a charge under contract or agreement. Form **FL 00 20** includes coverage for liability from custom farming to the extent of the first \$5,000 of the insured's receipts. Paragraphs 2. through 12. provide for coverage beyond the first \$5,000.
 - 2. Use the rates shown in Table 37.E.(R).
 - 3. Exposure basis is per \$1,000 of receipts over \$5,000.
 - 4. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph 3. by the applicable factor from Table 37.D.3.a.
 - 5. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - 6. **Farm Combination Credit**
Multiply the premium developed in Paragraph 5. by the factor from Rule 37.E.4. if Farm Combination coverage applies.
 - 7. **Persistency Credit**
Multiply the premium developed in Paragraph 6. by the factor from Rule 36.E.1.
 - 8. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.2.

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37. FARM LIABILITY COVERAGE (*Cont.*)

M. 9. **Loss Free Credit**

Multiply the premium developed in Paragraph 8. by the factor from Rule 36.E.3.

10. **Territorial Multiplier**

Multiply the premium developed in Paragraph 9. by the factor from Rule 44.

11. **Organic Certification Credit**

Multiply the premium developed in Paragraph 10. by the factor from Rule 43.J. if Organic Certification applies.

12. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 11. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

13. Use Custom Farming Liability Coverage Endorsement **FL 04 69**.

14. Use Code **07106**.

N. **Farm Stands**

1. This classification applies to roadside stands maintained solely for the sale of farm products principally produced on the insured farm.

2. Use the rates shown in Table 37.E.(R).

3. Exposure basis is per \$1,000 of gross sales.

4. **Optional Limits Factors – Liability Coverage H/I**

Multiply the premium developed in Paragraph 3. by the applicable factor from Table 37.D.3.a.

5. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

6. **Farm Combination Credit**

Multiply the premium developed in Paragraph 5. by the factor from Rule 37.E.4. if Farm Combination coverage applies.

7. **Persistency Credit**

Multiply the premium developed in Paragraph 6. by the factor from Rule 36.E.1.

8. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.2.

9. **Loss Free Credit**

Multiply the premium developed in Paragraph 8. by the factor from Rule 36.E.3.

10. **Territorial Multiplier**

Multiply the premium developed in Paragraph 9. by the factor from Rule 44.

11. **Organic Certification Credit**

Multiply the premium developed in Paragraph 10. by the factor from Rule 43.J. if Organic Certification applies.

12. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 11. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

13. Use Code **01235**.

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37. FARM LIABILITY COVERAGE (*Cont.*)

O. **Pollution Liability Options**

1. The \$25,000 annual aggregate Limit of Insurance for **Chemical Drift Liability (Coverage M)** in Endorsement **M2703F** may be increased. The revised limit must be entered in the Declarations as applicable to Coverage **M**. Refer to company for eligibility.
 - a. Refer to Table **37.O.1.(R)** in the State Rate pages for available limits and rates.
 - b. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **a.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - c. **Farm Combination Credit**
Does not apply for this coverage.
 - d. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1.**
 - e. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.2.**
 - f. **Loss Free Credit**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.3.**
 - g. **Territorial Multiplier**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **44.**
 - h. **Organic Certification Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.J.** if Organic Certification applies.
 - i. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **h.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
 - j. Use Code **01998.**
2. Endorsement **FL 04 30** may be used instead of Endorsement **M2703F**.
FL 04 30 replaces and restates the pollution exclusion in Farm Liability Coverage Form **FL 00 20**, narrowing its scope principally to occurrences involving leaking underground storage tanks, and retaining the exclusionary provisions that relate to handling of waste, to responding to the effects of pollutants, to consequential losses, costs or expenses, and to discharges from aircraft.
 - a. Refer to Table **37.O.2.(R)** in the State Rate pages for available limits and rates.
 - b. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **a.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - c. **Farm Combination Credit**
Does not apply for this coverage.
 - d. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1.**

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37. FARM LIABILITY COVERAGE (*Cont.*)

- O. 2. e. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph d. by the factor from Rule 36.E.2.
 - f. **Loss Free Credit**
Multiply the premium developed in Paragraph e. by the factor from Rule 36.E.3.
 - g. **Territorial Multiplier**
Multiply the premium developed in Paragraph f. by the factor from Rule 44.
 - h. **Organic Certification Credit**
Multiply the premium developed in Paragraph g. by the factor from Rule 43.J. if Organic Certification applies.
 - i. **Fixed Expense Credit**
Multiply the premium developed in Paragraph h. by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
 - j. Use Code 01999.
- P. **Limited Crop Dusting Coverage (Coverage N)**
- 1. This classification applies to the liability of an insured for physical injury to crops and animals resulting from crop dusting operations performed for the insured by a properly licensed independent contractor by aircraft.
 - 2. Use Coverage For Physical Injury To Crops And Animals Due To Certain Crop Dusting Operations Performed By Licensed Independent Contractor By Aircraft (Limited Crop Dusting Coverage) Endorsement **FL 04 44**.
 - 3. Refer to Table 37.P.1.(R) in the State Rate pages for rates. The premium is subject to audit at the option of the company; make the appropriate entry in the Schedule of the endorsement.
 - 4. Use Code 01360. Exposure basis is per \$1,000 of cost: cost means charges for the substances used and application of the substances, and includes any applicable taxes.
 - 5. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - 6. **Farm Combination Credit**
Does not apply for this coverage.
 - 7. **Persistency Credit**
Multiply the premium developed in Paragraph 5. by the factor from Rule 36.E.1.
 - 8. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.2.
 - 9. **Loss Free Credit**
Multiply the premium developed in Paragraph 8. by the factor from Rule 36.E.3.
 - 10. **Territorial Multiplier**
Multiply the premium developed in Paragraph 9. by the factor from Rule 44.
 - 11. **Organic Certification Credit**
Multiply the premium developed in Paragraph 10. by the factor from Rule 43.J. if Organic Certification applies.
 - 12. **Fixed Expense Credit**
Multiply the premium developed in Paragraph 11. by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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37. FARM LIABILITY COVERAGE (Cont.)

Q. Animal Liability – Use Of Animals In Animals Contests Or Stunting Activities

1. Coverage under Coverages **H** and **J** may be extended to apply to racing, speed and strength contests, and stunting activity.
 - a. Use Animals In Contests Or Stunting Activities Endorsement **FL 04 40**.
 - b. Charge 2% to 10% of the total Coverage **H** and **I** final premiums before Fixed Expense Credit is calculated.
2. Coverage under Coverages **H** and **J** may be extended to apply to the use of animals for providing rides for a fee or for providing rides in connection with a fair, charitable function or similar type of event.
 - a. Requires underwriter approval.
 - b. Use Animal Rides For Profit Or Charity Endorsement **FL 04 41**.
 - c. Charge 10% to 50% of Coverage **H** and **I** final premiums before Fixed Expense Credit is calculated.

R. Optional Exclusions

1. **Silica Or Silica-Related Dust Exclusion**
 - a. This endorsement amends Form **FL 00 20** by excluding bodily injury, property damage, personal injury and advertising injury liability arising out of silica or silica-related dust.
 - b. Use Exclusion – Silica Or Silica-Related Dust Endorsement **FL 10 50**.
 - c. No Premium Consideration.
2. **Coverage I Exclusion Options**
 - a. The policy may be endorsed to exclude the Advertising Injury component of Coverage **I** – Personal and Advertising Injury Liability.
Use Exclusion – Advertising Injury Liability Endorsement **FL 10 03**. Multiply the final premium developed in Paragraph **37.E**. by a factor of .975 before Fixed Expense Credit is calculated.
 - b. The policy may be endorsed to exclude all coverage for Personal and Advertising Injury Liability (Coverage **I**).
Use Exclusion – Personal and Advertising Injury Liability Endorsement **FL 10 02**. Multiply the final premium developed in Paragraph **37.E**. by a factor of .950 before Fixed Expense Credit is calculated.
3. **Farm Products And Operations Optional Exclusions**

Form **FL 00 20** automatically covers the farm products exposure and the premises exposures of insured locations (as defined), subject to various exclusions and limitations. The following may be excluded under Form **FL 00 20**:

 - a. **Exclusion – Farm Products And Operations (Off Premises)**
Coverage may be excluded for damages which occur away from premises owned or rented by the insured and arise out of farm products or operations.
Use Exclusion – Products And Completed Operations Endorsement **FL 10 07**.
Multiply the final premium developed for Coverage **H** and **I** in the Farm Liability Coverage by a factor of .99 before Fixed Expense Credit is calculated.

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37. FARM LIABILITY COVERAGE (Cont.)

R. 3. b. **Exclusion – Designated Products Off Premises**

Coverage may be excluded for damages which arise out of a designated product and occur off the premises owned or rented by the insured. Enter the designated product(s) in the Schedule of the endorsement.

Use Exclusion – Designated Products – Off Premises Endorsement **FL 10 05**.

Multiply the final premium developed for Coverage **H** and **I** in the Farm Liability Coverage by a factor of .99 before Fixed Expense Credit is calculated.

c. **Exclusion – Products Related To A Specific Premises Or Operation (On And Off Premises)**

Coverage may be excluded for damages which arise out of a product connected with a designated premises or designated operation. Coverage applies on and off premises but does not apply to incidents which occur after the insured has relinquished possession of the product. Enter the designated premises (or part of a premises) or the designated operation in the Schedule of the endorsement.

Use Exclusion – Products Related To A Specific Premises Or Operation Endorsement **FL 10 06**.

Multiply the final premium developed for Coverage **H** and **I** in the Farm Liability Coverage by a factor of .99 before Fixed Expense Credit is calculated.

4. **Logging and Lumbering Operations Exclusion**

a. Use Logging and Lumbering Operations Exclusion **M2801F**.

b. No Premium Consideration.

5. **Smoke From Field Burning Exclusion**

a. Use Smoke From Field Burning Exclusion **M2695F**.

b. No Premium Consideration.

S. **Contractual Liability Limitation**

1. The policy may be endorsed to eliminate broad contractual liability coverage. The endorsement therefore provides a revised definition of "insured contract"; refer to the endorsement for further detail.

2. Use Contractual Liability Limitation Endorsement **FL 10 08**.

3. No Premium Consideration.

T. **Arbitration Endorsements**

1. The policy may be endorsed to include arbitration endorsements which are designed to minimize or eliminate litigation between the insured and the company in disclaimer-of-coverage situations.

2. Use Binding Arbitration Endorsement **FL 99 01** or Non-Binding Arbitration Endorsement **FL 99 02**.

3. No Premium Consideration.

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37. FARM LIABILITY COVERAGE (*Cont.*)

U. All-Terrain Vehicles

1. This classification:
 - a. Applies to specifically scheduled all-terrain vehicles owned or operated by or rented or loaned to the insured.
 - b. Does not apply to any all-terrain vehicles while rented to others, while used to carry persons for a charge or while operated in, or in practice for, any prearranged or organized race, speed contest or other competition.
2. Use All-Terrain Vehicle Coverage Endorsement **FL 04 74**. Refer to State Rate Table **37.U.2.(R)** for rates.
3. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 2. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
4. **Farm Combination Credit**
Multiply the premium developed in Paragraph 3. by the factor from Rule **37.E.4**. if Farm Combination coverage applies
5. **Persistency Credit**
Multiply the premium developed in Paragraph 4. by the factor from Rule **36.E.1**.
6. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 5. by the factor from Rule **36.E.2**.
7. **Loss Free Credit**
Multiply the premium developed in Paragraph 6. by the factor from Rule **36.E.3**.
8. **Territorial Multiplier**
Multiply the premium developed in Paragraph 7. by the factor from Rule **44**.
9. **Organic Certification Credit**
Multiply the premium developed in Paragraph 8. by the factor from Rule **43.J**. if Organic Certification applies.
10. **Fixed Expense Credit**
Multiply the premium developed in Paragraph 9. by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
11. Use Code **07995**. Exposure basis is each all-terrain vehicle.
12. If coverage is to be written for an all-terrain vehicle that is required to be licensed for road use, refer to **Division One** – Automobile for rules and rating.

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37. **FARM LIABILITY COVERAGE (Cont.)**

V. **Waiver Of Transfer Of Rights Of Recovery Against Others To Us**

1. The company may waive its right of recovery (subrogation) against a designated person or organization on whose behalf the insured performs work under a contract.
2. Use Waiver Of Transfer Of Rights Of Recovery Against Others To Us Endorsement **FL 99 03**.
3. Refer to State Rate Table **37.V.3.(R)** for rates.
4. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **3**. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
5. **Farm Combination Credit**
Multiply the premium developed in Paragraph **4**. by the factor from Rule **37.E.4**. if Farm Combination coverage applies.
6. **Persistency Credit**
Multiply the premium developed in Paragraph **5**. by the factor from Rule **36.E.1**.
7. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **6**. by the factor from Rule **36.E.2**.
8. **Loss Free Credit**
Multiply the premium developed in Paragraph **7**. by the factor from Rule **36.E.3**.
9. **Territorial Multiplier**
Multiply the premium developed in Paragraph **8**. by the factor from Rule **44**.
10. **Organic Certification Credit**
Multiply the premium developed in Paragraph **9**. by the factor from Rule **43.J**. if Organic Certification applies.
11. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **10**. by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

38. **CGL FARM LIABILITY**

A. **Description Of Coverage**

1. CGL Farm Liability extends insurance under Commercial General Liability (occurrence) Coverage Form **CG 00 01** to cover the policyholder's liability arising out of the ownership, use or maintenance of farm premises identified as such on the **CG 00 01** Declarations, including buildings used as residences, and optionally, farms rented to others or held for rental or sale.
For a description of the coverage afforded under **CG 00 01**, refer to **Division Six – General Liability**.

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38. **CGL FARM LIABILITY (Cont.)**

- A. 2. When Commercial General Liability coverage is written in conjunction with Farm coverage, each coverage is considered a separate Coverage Part and, thus, subject to the rules in **Division Nine** – Multiple Line, Commercial Package Policy. The Package Modification factors from Division Nine do not apply to coverages rated from Division Four.
- B. **Basic Coverages, Mandatory And Optional**
 - 1. **Exposures Included In The Base Premium: Farm Premises And Operations And One Residence Premises**

The base premium includes the charge for the premises and operations exposures of all farms scheduled on the **CG 00 01** Declarations and for the residence premises exposure of no more than one building thereon that is used as a residence.

Farms that are rented to others or held for rental or sale may be included in the schedule of farms.
 - 2. **Further Exposures That Must Be Covered Under The Base Premium For An Additional Charge**

For each additional residence on the farm premises scheduled on the Declarations, add an appropriate charge. Refer to Rule **38.G.2**.
- C. **Basic Forms Applicable**
 - 1. Use Commercial General Liability Coverage Form (occurrence version) **CG 00 01**.
 - 2. Attach Exclusion – Migrant and Seasonal Agricultural Worker Protection Act Endorsement **FL 01 16**.
 - 3. Attach Basic Farm Premises Liability Endorsement **FL 04 11** (unless Broad Farm Premises Liability Endorsement **FL 04 37**, in accordance with Paragraph **N.**, is used instead).

Endorsement **FL 04 11** includes coverage for chemical drift liability involving physical injury to crops or animals (\$25,000 annual aggregate Limit of Insurance); and for bodily injury and property damage from agricultural burning.
 - 4. If covering Personal Liability, also attach Personal Liability Endorsement **FL 04 12** and **FL 10 01**.
 - 5. Attach Employment Related Practices Exclusion **CG 21 47**.
 - 6. Attach Nuclear Energy Liability Exclusion Endorsement (Broad Form) **IL 00 21**.
 - 7. Attach Exclusion – Year 2000 Computer-Related And Other Electronic Problems – With Exception For Bodily Injury On Your Premises Endorsement **CG 21 62**.
 - 8. Attach Fungi or Bacteria Exclusion **CG 21 67**.
 - 9. Attach Silica or Silica-Related Dust Exclusion **CG 21 96**.
 - 10. Attach Asbestos and Lead Exclusion Endorsement **M2358**.
- D. **Eligibility**
 - 1. No restriction.
 - 2. Coverage may be written on a farm for an owner or tenant having an insurable interest in farming or ranching operations.
- E. **Company Rates**

Rates are shown in the State Rate pages opposite the identifying code number of the classification. Refer to Rule **37.D.2.**, **37.D.3.** and **37.D.4.** for information on basic and optional limits and company-rated exposures.

Refer to **Division Six** – General Liability for classifications not listed in this Division.

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38. **CGL FARM LIABILITY (Cont.)**

F. Premium Computation

1. Determine the base premium in accordance with Paragraph **G**.
2. For each additional mandatory or optional coverage applicable to the farm being insured, multiply the appropriate basis of premium by the appropriate base rate.
3. Select the appropriate increased or decreased liability limit and corresponding factor from Table **37.D.3.a. Optional Limits Factors – Liability (Cov. H/I)**; factors for limits not shown may be developed by interpolation. Multiply each basic limits premium by this factor.
4. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **3**. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
5. **Persistency Credit**
Multiply the premium developed in Paragraph **4**. by the factor from Rule **36.E.1**.
6. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **5**. by the factor from Rule **36.E.2**.
7. **Loss Free Credit**
Multiply the premium developed in Paragraph **6**. by the factor from Rule **36.E.3**.
8. **Territorial Multiplier**
Multiply the premium developed in Paragraph **7**. by the factor from Rule **44**.
9. **Organic Certification Credit**
Multiply the premium developed in Paragraph **8**. by the factor from Rule **43.J**. if Organic Certification applies.
10. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **9**. by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

G. Base Premium – Farm Premises Liability

1. Exposures Described In Paragraph **B.1.:** Farm Premises And Operations And One Residence Premises
 - a. Coverage encompasses the premises and operations exposures of all farms described in the Commercial General Liability (occurrence) Coverage Form Declarations, and the premises exposure of one building thereon used as a residence. Products Liability exposure is not provided in the base premium.

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38. CGL FARM LIABILITY (Cont.)

- G. 1. b. Determine the Type of Farm from Table **38.G.1.b.** (For types of farm not listed in the table, see General Rule **2.B.**)

Type I Farms*	Type II Farms*	Type III Farms*	Type IV Farms*	Type V Farms*
Livestock (excl. horses) Animal specialties (excl. bees, fish, worms)	Poultry Dairy	Vegetables Melons Fruits Tree nuts Horticulture Bees, fish, worms Other insect farming	Grain Other field crops	Horses
*The highest risk exposure on the farm establishes the Type of Farm (Type V being the highest, Type IV the lowest). In determining the applicable Type of Farm, disregard any exposure on the farm that accounts for less than 15 percent of total gross income from farming.				

Table 38.G.1.b. Type Of Farm Categories

- c. From Table **38.G.1.c.**, determine the applicable 5-digit class code on the basis of Type of Farm and total acreage.

Type I Farms		Type II Farms		Type III Farms		Type IV Farms		Type V Farms	
Total Acreage	Class Code*	Total Acreage	Class Code*	Total Acreage	Class Code*	Total Acreage	Class Code*	Total Acreage	Class Code*
160 or less	01518 01519	160 or less	02518 02519	160 or less	03518 03519	160 or less	06518 06519	160 or less	07518 07519
161 to 500	01618 01619	161 to 500	02618 02619	161 to 500	03618 03619	161 to 500	06618 06619	161 to 500	07618 07619
501 to 2,000	01718 01719	501 to 2,000	02718 02719	501 to 2,000	03718 03719	501 to 2,000	06718 06719	501 to 2,000	07718 07719
Over 2,000	01818 01819	Over 2,000	02818 02819	Over 2,000	03818 03819	Over 2,000	06818 06819	Over 2,000	07818 07819
*For farms that are non-owner operated in whole or part, use 9 instead of 8 as the fifth digit of the class code.									

Table 38.G.1.c. Determination Of Farm Class Codes

- d. Use rates from Table **38.G.1.d. – 1 (R)** for the class code determined in Table **38.G.1.c.**
- e. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **d.** by the applicable factor from Table **37.D.3.a.**
- f. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **e.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- g. **Persistency Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **36.E.1.**
- h. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **36.E.2.**
- i. **Loss Free Credit**
Multiply the premium developed in Paragraph **h.** by the factor from Rule **36.E.3.**

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38. **CGL FARM LIABILITY (Cont.)**

- G. 1. j. **Territorial Multiplier**
Multiply the premium developed in Paragraph i. by the factor from Rule **44**.
- k. **Organic Certification Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule **43.J**, if Organic Certification applies.
- l. **Fixed Expense Credit**
Multiply the premium developed in Paragraph k. by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- 2. **Exposures Described In Paragraph B.2.: Additional Residences On Scheduled Farms**
 - a. Coverage applies to the premises liability of additional residence buildings located on scheduled farms, provided they are not used or held for rental or used for business purposes other than farming as defined.
 - b. Use the rates shown in Table **38.F.(R)**.
 - c. Exposure basis is each additional residence building. (The exposure basis does not reflect the number of family units.)
 - d. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph c. by the applicable factor from Table **37.D.3.a**.
 - e. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph d. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - f. **Persistency Credit**
Multiply the premium developed in Paragraph e. by the factor from Rule **36.E.1**.
 - g. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph f. by the factor from Rule **36.E.2**.
 - h. **Loss Free Credit**
Multiply the premium developed in Paragraph g. by the factor from Rule **36.E.3**.
 - i. **Territorial Multiplier**
Multiply the premium developed in Paragraph h. by the factor from Rule **44**.
 - j. **Organic Certification Credit**
Multiply the premium developed in Paragraph i. by the factor from Rule **43.J**, if Organic Certification applies.
 - k. **Fixed Expense Credit**
Multiply the premium developed in Paragraph j. by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
 - l. Use:
 - (1) Code **09250** for one-family residence building occupied by owner.
 - (2) Code **09251** for one-family residence building not occupied by owner.
 - (3) Code **09252** for two-to-four family residence building at least partly occupied by owner.
 - (4) Code **09253** for two-to-four family residence building not occupied by owner.

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38. **CGL FARM LIABILITY (Cont.)**

H. **Personal Liability**

1. Personal liability extends the coverage granted under the Commercial General Liability (occurrence) Coverage Form to liability arising out of insureds' personal or non-business activities.
This extension includes bodily injury coverage and \$1,000 of medical payments coverage for residence employees, provided:
 - a. The insured does not have a policy providing workers compensation or occupational disease benefits; and
 - b. Benefits, whether in whole or in part, are neither payable nor required to be provided under any workers compensation or occupational disease law to or for these employees.
2. Use the rates shown in Table **38.F.(R)**.
3. Exposure basis is residence premises.
4. Use Personal Liability Endorsement **FL 04 12**.
5. Use Code **05223**. The rates corresponding to Code **05223** includes a charge for bodily injury and medical payments for one or two residence employees.
6. If the risk has three or more residence employees, compute the additional premium as follows:
 - a. Exposure basis is each residence employee, starting with the third employee.
 - b. Use the rates shown in Table **38.F.(R)**.
 - c. Use Code **01415**.
7. The medical payments limit may be increased up to \$5,000. Refer to Table **37.D.3.b.(R)** in the State Rate pages for the increased limits charges.
8. Designated residence employees of a designated insured may be excluded from coverage by using Liability Exclusion – Residence Employees Of Designated Insureds Endorsement **FL 10 10**.
9. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph 2. or 6. by the applicable factor from Table **37.D.3.a**.
10. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 9. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
11. **Persistency Credit**
Multiply the premium developed in Paragraph 10. by the factor from Rule **36.E.1**.
12. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 11. by the factor from Rule **36.E.2**.
13. **Loss Free Credit**
Multiply the premium developed in Paragraph 12. by the factor from Rule **36.E.3**.
14. **Territorial Multiplier**
Multiply the premium developed in Paragraph 13. by the factor from Rule **44**.
15. **Organic Certification Credit**
Multiply the premium developed in Paragraph 14. by the factor from Rule **43.J**, if Organic Certification applies.

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38. **CGL FARM LIABILITY (Cont.)**

H. 16. **Fixed Expense Credit**

Multiply the premium developed in Paragraph **15.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

I. **Products/Certain Farm Operations**

1. **Animals And Livestock Breeders Or Dealers, Except Poultry Hatcheries**

a. Refer to Table **38.F.(R)** in the State Rate pages for rating; exposure basis is per \$1,000 of gross sales.

b. **Optional Limits Factors – Liability Coverage H/I**

Multiply the premium developed in Paragraph **a.** by the applicable factor from Table **37.D.3.a.**

c. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph **b.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

d. **Persistency Credit**

Multiply the premium developed in Paragraph **c.** by the factor from Rule **36.E.1.**

e. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.2.**

f. **Loss Free Credit**

Multiply the premium developed in Paragraph **e.** by the factor from Rule **36.E.3.**

g. **Territorial Multiplier**

Multiply the premium developed in Paragraph **f.** by the factor from Rule **44.**

h. **Organic Certification Credit**

Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.J.** if Organic Certification applies.

i. **Fixed Expense Credit**

Multiply the premium developed in Paragraph **h.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

j. Use Code **01391.**

2. **Farm Products – NOC**

a. This classification applies to products from Farming and Ranching as defined in Rule **14.B.**

b. This classification does not apply to:

(1) Creameries (Refer to **Division Six** for company rates).

(2) Processed and aged foods such as cooked, preserved and frozen fruits and vegetables, or cured, frozen, ground and smoked meat, fish and poultry, when sale of such foods exceeds 10% of the farm's gross sales.

c. Use the rates shown in Table **38.F.(R).**

d. Exposure basis is per \$1,000 of gross sales.

e. **Optional Limits Factors – Liability Coverage H/I**

Multiply the premium developed in Paragraph **d.** by the applicable factor from Table **37.D.3.a.**

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38. **CGL FARM LIABILITY (Cont.)**

- J. 6. **Persistency Credit**
Multiply the premium developed in Paragraph 5. by the factor from Rule 36.E.1.
- 7. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 6. by the factor from Rule 36.E.2.
- 8. **Loss Free Credit**
Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.3.
- 9. **Territorial Multiplier**
Multiply the premium developed in Paragraph 8. by the factor from Rule 44.
- 10. **Organic Certification Credit**
Multiply the premium developed in Paragraph 9. by the factor from Rule 43.J. if Organic Certification applies.
- 11. **Fixed Expense Credit**
Multiply the premium developed in Paragraph 10. by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- 12. Use Custom Farming Liability Coverage Endorsement **FL 04 69**.
- 13. Use Code **07106**.
- K. **Employers Liability And Employees Medical Payments**
 - 1. Coverage may be provided for farm employers liability and farm employees medical payments. Designated employees may be excluded with respect to liability and medical payments coverage.
 - 2. Use Farm Employers Liability And Farm Employees Medical Payments Insurance Endorsement **FL 04 65**.
 - 3. Limits of Insurance under **FL 04 65** are independent of those for Coverages **A, B** and **C**, and are not subject to the General Aggregate Limit. The selected Limits of Insurance (liability – each occurrence; medical payments – each farm employee) should be entered in the Schedule of **FL 04 65**.
 - 4. Indicate in the Schedule of **FL 04 65** whether or not the premium is an advance premium subject to audit by the company.
 - 5. Indicate in the Schedule of **FL 04 65** whether or not the Optional Extension Of Coverage – Occurrences Involving "Motor Vehicles"/"Autos", Watercraft is to apply with respect to expenses for bodily injury to a farm employee injured away from the farm location shown in the Declarations, in an occurrence involving his or her maintenance, use, operation, or loading or unloading of an auto or watercraft.
 - 6. Use the rates shown in Table **38.F.(R)**.
 - 7. The medical payments limit may be increased up to \$5,000. Refer to Table **37.D.3.b.(R)** in the State Rate pages for the increased limits charges.
 - 8. Exposure basis is \$1,000 of payroll.
 - 9. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph 8. by the applicable factor from Table **37.D.3.a**.

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38. **CGL FARM LIABILITY (Cont.)**

K. 10. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph 9. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

11. **Persistency Credit**

Multiply the premium developed in Paragraph 10. by the factor from Rule 36.E.1.

12. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph 11. by the factor from Rule 36.E.2.

13. **Loss Free Credit**

Multiply the premium developed in Paragraph 12. by the factor from Rule 36.E.3.

14. **Territorial Multiplier**

Multiply the premium developed in Paragraph 13. by the factor from Rule 44.

15. **Organic Certification Credit**

Multiply the premium developed in Paragraph 14. by the factor from Rule 43.J. if Organic Certification applies.

16. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 15. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

17. If granting the optional coverage described in Paragraph 5. use Code **01352**; if not, use Code **01350**.

L. **Farm Stands**

1. This classification applies to roadside stands maintained solely for the sale of farm products principally produced on the insured farm.

2. Use the rates shown in Table **38.F.(R)**.

3. Exposure basis is per \$1,000 of gross sales.

4. **Optional Limits Factors – Liability Coverage H/I**

Multiply the premium developed in Paragraph 3. by the applicable factor from Table **37.D.3.a**.

5. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

6. **Persistency Credit**

Multiply the premium developed in Paragraph 5. by the factor from Rule 36.E.1.

7. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph 6. by the factor from Rule 36.E.2.

8. **Loss Free Credit**

Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.3.

9. **Territorial Multiplier**

Multiply the premium developed in Paragraph 8. by the factor from Rule 44.

10. **Organic Certification Credit**

Multiply the premium developed in Paragraph 9. by the factor from Rule 43.J. if Organic Certification applies.

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38. **CGL FARM LIABILITY (Cont.)**

L. 11. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 10. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

12. Use Code **01235**.

M. **Grazing Away From The Farm Premises**

1. This classification applies to animals grazing away from the farm premises.

2. Use Table **38.L.2.(R)** in the State Rate pages.

3. Exposure basis is number of animals.

4. **Optional Limits Factors – Liability Coverage H/I**

Multiply the premium developed in Paragraph 3. by the applicable factor from Table **37.D.3.a**.

5. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

6. **Persistency Credit**

Multiply the premium developed in Paragraph 5. by the factor from Rule 36.E.1.

7. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph 6. by the factor from Rule 36.E.2.

8. **Loss Free Credit**

Multiply the premium developed in Paragraph 7. by the factor from Rule 36.E.3.

9. **Territorial Multiplier**

Multiply the premium developed in Paragraph 8. by the factor from Rule 44.

10. **Organic Certification Credit**

Multiply the premium developed in Paragraph 9. by the factor from Rule 43.J. if Organic Certification applies.

11. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 10. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

12. Use Code:

a. **01355** for the first 100 animals.

b. **01356** for the next 400 animals.

c. **01357** for animals in excess of 500.

N. **Pollution Liability Options**

1. The \$25,000 annual aggregate Limit of Insurance for **Chemical Drift Liability Coverage** (Coverage M) in Endorsement **FL 04 11** may be increased. The revised limit must be entered in the Declarations as applicable to Coverage **M**.

a. Refer to Table **38.N.1.(R)** in the State Rate pages for available limits and rates.

b. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph a. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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38. **CGL FARM LIABILITY (Cont.)**

- N. 1. c. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1.**
- d. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **c.** by the factor from Rule **36.E.2.**
- e. **Loss Free Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.3.**
- f. **Territorial Multiplier**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **44.**
- g. **Organic Certification Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **43.J.** if Organic Certification applies.
- h. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- 2. Endorsement **FL 04 37** may be used instead of Endorsement **FL 04 11.**
FL 04 37 replaces and restates the pollution exclusion in Commercial General Liability (occurrence) Coverage Form **CG 00 01**, narrowing its scope principally to occurrences involving leaking underground storage tanks, and retaining the exclusionary provisions that relate to handling of waste, to responding to the effects of pollutants, to consequential losses, costs or expenses, and to discharges from aircraft.
 - a. Refer to Table **38.N.2.(R)** in the State Rate pages for rating.
 - b. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **a.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - c. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1.**
 - d. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **c.** by the factor from Rule **36.E.2.**
 - e. **Loss Free Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.3.**
 - f. **Territorial Multiplier**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **44.**
 - g. **Organic Certification Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **43.J.** if Organic Certification applies.
 - h. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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38. CGL FARM LIABILITY (Cont.)

O. Watercraft

1. This classification applies to private passenger watercraft, other than boats included in Form **CG 00 01**. This classification excludes:
 - a. Watercraft while used to carry persons for a charge or while rented to others;
 - b. Bodily injury to any employee of the insured, while engaged in the employment of the insured, if such employee's principal duties are in connection with the maintenance or use of the watercraft; and
 - c. Watercraft while operated in, or in practice for, any prearranged or organized race, speed contest or other similar competition, except for sailing vessels (with or without auxiliary power) or predicted long cruises.
 - d. Boats not described in Paragraphs **14.a.** and **14.b.**
2. Exposure basis is each watercraft.
3. Use the rates shown in Table **38.F.(R)**.
4. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph **3.** by the applicable factor from Table **37.D.3.a.**
5. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **4.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
6. **Persistency Credit**
Multiply the premium developed in Paragraph **5.** by the factor from Rule **36.E.1.**
7. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **6.** by the factor from Rule **36.E.2.**
8. **Loss Free Credit**
Multiply the premium developed in Paragraph **7.** by the factor from Rule **36.E.3.**
9. **Territorial Multiplier**
Multiply the premium developed in Paragraph **8.** by the factor from Rule **44.**
10. **Organic Certification Credit**
Multiply the premium developed in Paragraph **9.** by the factor from Rule **43.J.** if Organic Certification applies.
11. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **10.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
12. Coverage must be written to the expiration of the policy. It is permissible, however, to stipulate for any watercraft eligible under this rule, the navigational period for each year. Premium is to be adjusted on a pro rata basis.
13. Use Watercraft Endorsement **CG 24 12.**

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38. CGL FARM LIABILITY (Cont.)

- O. 14. Use the following Class Codes for motor powered watercrafts and sailboats:
- a. Watercraft powered by outboard, inboard or inboard-out drive engines or motors:

Length Of Watercraft		
Horsepower*	Up To 15 Feet	Over 15 To 26 Feet
Up to 50+	04601	04602
51 to 100	04603	04604
101 to 150	04605	04606
151 to 200	04607	04608
Over 200	04609	04610
*Accumulate total horsepower if two or more motors are regularly used together with any single watercraft owned by insured. +Outboard engines or motors of up to 25 horse-power or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the Farm Liability Coverage Form.		

Table 38.O.14.a. Classifications For Motor Powered Watercraft

- b. Sailboats with or without auxiliary power.

Overall Length/Feet	Class Code
26 to 40 feet+	04621
Over 40 feet	Not Eligible
+Outboard engines or motors of up to 25 horse-power or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the Farm Liability Coverage Form.	

Table 38.O.14.b. Classifications For Sailboats

P. Snowmobiles

1. Owned Snowmobile Coverage Endorsement **FL 04 71** amends policies containing Personal Liability Endorsement **FL 04 12** by providing personal liability coverage for occurrences of bodily injury and property damage arising out of the use of owned snowmobiles off the insured location.
2. This classification:
 - a. Applies to snowmobiles owned by the insured.
 - b. Does not apply to any snowmobile:
 - (1) Subject to motor vehicle registration or while used to carry persons for a charge; or
 - (2) While rented to others or while operated in, or in practice for, any prearranged racing, organized racing, speed contest or other competition.
 - (3) While used for business purposes or rented to others; or
 - (4) While operated in, or in practice for, any prearranged racing, organized racing, speed contest or other competition.
3. Exposure basis is each snowmobile.

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38. **CGL FARM LIABILITY (Cont.)**

- P. 4. The premium determination obtained is the minimum annual premium for each snowmobile for any period within a policy year.
5. Use Owned Snowmobile Coverage Endorsement **FL 04 71**.
6. Use Code **07990**.
7. Use the rates shown in Table **38.F.(R)**.
8. **Optional Limits Factors – Liability Coverage H/I**
Multiply the premium developed in Paragraph 7. by the applicable factor from Table **37.D.3.a**.
9. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 8. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
10. **Persistency Credit**
Multiply the premium developed in Paragraph 9. by the factor from Rule **36.E.1**.
11. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph 10. by the factor from Rule **36.E.2**.
12. **Loss Free Credit**
Multiply the premium developed in Paragraph 11. by the factor from Rule **36.E.3**.
13. **Territorial Multiplier**
Multiply the premium developed in Paragraph 12. by the factor from Rule **44**.
14. **Organic Certification Credit**
Multiply the premium developed in Paragraph 13. by the factor from Rule **43.J**. if Organic Certification applies.
15. **Fixed Expense Credit**
Multiply the premium developed in Paragraph 14. by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- Q. **All-Terrain Vehicles**
1. All-Terrain Vehicle Coverage Endorsement **FL 04 74** amends policies containing Personal Liability Endorsement **FL 04 12** by providing personal liability coverage for occurrences of bodily injury and property damage arising out of the use of all-terrain vehicles off the insured location.
2. This classification:
- a. Applies to specifically scheduled all-terrain vehicles owned or operated by or rented or loaned to the insured.
- b. Does not apply to any all-terrain vehicles while rented to others, while used to carry persons for a charge or while operated in, or in practice for, any prearranged or organized race, speed contest or other competition.
3. Use All-Terrain Vehicle Coverage Endorsement **FL 04 74**.
4. Refer to Table **38.Q.2.(R)** for rates.
5. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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38. **CGL FARM LIABILITY (Cont.)**

Q. 6. **Persistency Credit**

Multiply the premium developed in Paragraph 5. by the factor from **Rule 36.E.1.**

7. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph 6. by the factor from **Rule 36.E.2.**

8. **Loss Free Credit**

Multiply the premium developed in Paragraph 7. by the factor from **Rule 36.E.3.**

9. **Territorial Multiplier**

Multiply the premium developed in Paragraph 8. by the factor from **Rule 44.**

10. **Organic Certification Credit**

Multiply the premium developed in Paragraph 9. by the factor from **Rule 43.J.** if Organic Certification applies.

11. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 10. by the factor from **Rule 43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

12. Use Code **07995**. Exposure basis is each all-terrain vehicle.

13. If coverage is to be written for an all-terrain vehicle that is required to be licensed for road use, refer to **Division One** – Automobile for rules and rating.

R. **Limited Crop Dusting Coverage (Coverage N)**

1. This classification applies to the liability of an insured for physical injury to crops and animals resulting from crop dusting operations performed for the insured by a properly licensed independent contractor by aircraft.
2. Use Coverage For Physical Injury To Crops And Animals Due To Certain Crop Dusting Operations Performed By Licensed Independent Contractor By Aircraft (Limited Crop Dusting Coverage) Endorsement **FL 04 44**.
3. Refer to Table **38.R.3.(R)** in the State Rate pages for rating. The premium is subject to audit at the option of the company; make the appropriate entry in the Schedule of the endorsement.

4. Use Code **01360**. Exposure basis is per \$1,000 of cost: cost means charges for the substances used and application of the substances, and includes any applicable taxes.

5. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph 4. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

6. **Persistency Credit**

Multiply the premium developed in Paragraph 5. by the factor from **Rule 36.E.1.**

7. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph 6. by the factor from **Rule 36.E.2.**

8. **Loss Free Credit**

Multiply the premium developed in Paragraph 7. by the factor from **Rule 36.E.3.**

9. **Territorial Multiplier**

Multiply the premium developed in Paragraph 8. by the factor from **Rule 44.**

10. **Organic Certification Credit**

Multiply the premium developed in Paragraph 9. by the factor from **Rule 43.J.** if Organic Certification applies.

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38. CGL FARM LIABILITY (Cont.)

R. 11. Fixed Expense Credit

Multiply the premium developed in Paragraph **10.** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

S. Optional Exclusions

1. Silica Or Silica-Related Dust Exclusion

- a. This endorsement amends policies that include Personal Liability Endorsement **FL 04 12** by excluding bodily injury, property damage, and personal injury liability arising out of silica or silica-related dust.
- b. Use Exclusion – Silica Or Silica-Related Dust Endorsement **FL 10 50.**
- c. No premium consideration.

2. Smoke From Field Burning Exclusion

- a. Use Smoke From Field Burning Exclusion **M2695F** and Amendment – Basic Farm Premises Liability **M2706F.**
- b. No premium consideration.

3. Exclusion – Products-Completed Operations Hazard Endorsement

- a. Liability arising out of the products/completed operations hazard may be excluded by attaching Exclusion – Products-Completed Operations Hazard Endorsement **CG 21 04.**
- b. No premium consideration.

4. Exclusion – Personal and Advertising Injury Endorsement

- a. Coverage **B** Personal And Advertising Injury may be excluded by attaching Exclusion – Personal And Advertising Injury Endorsement **CG 21 38.**
- b. Multiply the final premises/operations premium(s) by a factor of .95 before Fixed Expense Credit is calculated.

5. Total Pollution Exclusion Endorsement

- a. Liability arising out of any pollution exposure not otherwise precluded by the pollution exclusion contained in the Commercial General Liability Coverage may be totally excluded by attaching Total Pollution Exclusion Endorsement **CG 21 49.**
- b. No premium consideration.

6. Total Pollution Exclusion with a Hostile Fire Exception Endorsement

- a. Liability arising out of any pollution exposure not otherwise precluded by the pollution exclusion contained in the Commercial General Liability Coverage may be totally excluded, with the exception of liability arising out of a hostile fire, by attaching Total Pollution Exclusion With A Hostile Fire Exception Endorsement **CG 21 55.**
- b. No premium consideration.

7. Exclusion – Logging and Lumbering Operations

- a. Coverage is excluded for property damage due to fire or property damage, however caused, to any vehicle while being loaded or unloaded. Use Exclusion – Logging and Lumber Operations Endorsement **CG 22 54.**
- b. No premium consideration.

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38.CGL FARM LIABILITY (Cont.)

T. Additional Interests

Policies may be written to cover additional interests. Refer to each endorsement to determine the applicable Coverage Parts.

1. For managers or operators of premises or interests from whom premises have been rented or leased on policies covering lessees or tenants, use Additional Insured – Managers Or Lessors Of Premises Endorsement **CG 20 11**.
 - a. Make an additional charge of \$38 for retailers/wholesales and \$13 for all others.
 - b. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **a.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - c. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1**.
 - d. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **c.** by the factor from Rule **36.E.2**.
 - e. **Loss Free Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.3**.
 - f. **Territorial Multiplier**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **44**.
 - g. **Organic Certification Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **43.J**, if Organic Certification applies.
 - h. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
2. For all others, use Additional Insured – Designated Person Or Organization Endorsement **CG 20 26**.
 - a. Make a charge of \$25.
 - b. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **a.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - c. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1**.
 - d. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **c.** by the factor from Rule **36.E.2**.
 - e. **Loss Free Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.3**.
 - f. **Territorial Multiplier**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **44**.
 - g. **Organic Certification Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **43.J**, if Organic Certification applies.
 - h. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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SECTION III – INLAND MARINE

39. FARM INLAND MARINE

A. Description Of Coverage

Coverage for mobile agricultural machinery and equipment and livestock is included in Farm Property – Farm Personal Property Coverage Form **FP 00 13**. But Form **FP 00 13** cannot be used for these properties if they are covered under the farm inland marine forms specified in **B.1.** and **B.2.** of this rule.

The farm inland marine forms cover:

1. Mobile agricultural machinery and equipment against risks of direct physical loss, subject to certain exclusions and conditions; and
2. Livestock, against loss due to death or the necessary destruction of cattle, sheep, swine, goats, horses, mules and donkeys as the result of any of the Basic Causes of Loss listed in Rule **36.B.8.a.**

B. Basic Forms Applicable

Use Common Policy Conditions Form **IL 00 17**, and

1. Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30** to cover only mobile agricultural machinery and equipment;
2. Livestock Coverage Form **FP 00 40** to cover only livestock.

C. Eligibility

This coverage does not apply to:

1. Self-propelled harvester-thresher combines used for hire;
2. Self-propelled mechanical cotton pickers used for hire;
3. Machinery and equipment used in logging or forestry operations;
4. Portable sawmills;
5. Irrigation equipment;
6. Lug boxes;
7. Range animals of the beef type and range sheep while on ranges;
8. Horses, mules or donkeys used or bred exclusively for racing, show or delivery;
9. Livestock while being transported by common or contract carrier to or from or while at stockyards or commercial feedlots;
10. Insureds conducting sales or auctions, covering livestock of others for public sales;
11. Livestock insured under mortality policies covering, among other causes of loss, against death or destruction due to natural causes. This does not preclude binding a mortality risk pending a certification of a veterinarian, during which interim period the contract is limited to death of the animal due to fire and accident only;
12. Livestock of circus, carnival or theatrical enterprises;
13. Livestock on winter range; or
14. Veterinarians and humane societies covering livestock of others in their care, custody or control for professional purposes. Coverage for veterinarians is available under Oregon Mutual's Businessowners Protector program.

D. Company Rates

1. Location

Rates are shown in Table **36.C. – 4 (R)** in the State Rate pages.

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39. FARM INLAND MARINE (Cont.)

D. 2. Limits Of Insurance

a. Mobile Agricultural Machinery And Equipment

Mobile agricultural machinery and equipment may be covered on:

- (1) A blanket basis for all mobile agricultural machinery and equipment (except cotton pickers and harvester-thresher combines), as specified in Paragraph **A.1.a.** of Form **FP 00 30**, subject to an 80% coinsurance provision; or
- (2) A scheduled basis (including cotton pickers and harvester-thresher combines) for each piece of equipment, with the option to cover miscellaneous related articles on a blanket basis, as specified in Paragraph **A.1.b.** of Form **FP 00 30**.

b. Livestock

(1) Coverage Options

Livestock coverage may be provided on a blanket or scheduled basis.

(a) Blanket Basis

Coverage is provided with a Limit of Insurance per animal, subject to an aggregate limit per class. Coverage is subject to 80% coinsurance.

(b) Scheduled Basis

Coverage is provided with a Limit of Insurance per class/type. (Each class may be subdivided by type – for example, Holstein cattle.) A sublimit is allowed for individual animals separately described in a schedule.

(2) Limit Of Insurance For Any One Animal

The Limit of Insurance for any one animal not specifically declared and described in the Declarations or for which the Limit of Insurance per animal is not shown in the Declarations shall not exceed the least of:

- (a) The actual cash value of the animal;
- (b) 120% of the total of the limits of insurance on each class and type divided by the number of head of the class and type that are owned by the insured at time of loss; or
- (c) \$2,000.

E. Premium Computation

1. Calculation

Multiply the Limit of Insurance by the applicable rate from Table **36.C. – 4 (R)** in the State Rate pages.

For livestock, the applicable rate is found in the Basic Causes Of Loss column except when Livestock – Additional Causes Of Loss Endorsement **FP 10 04** is attached. See Paragraph **G.3.**

2. Optional Deductibles

- a. Optional higher deductible amounts are available under Rule **36.C.3.d. or 36.C.6.d.**
- b. A full coverage option (no deductible) is available for livestock inland marine coverage. Multiply the premium developed in Paragraph **1.** by 1.06.
- c. For Windstorm Or Hail Percentage Deductibles, refer to Rule **31.**

3. Refer To Company

Requests for special rates and coverage conditions for risks not covered by these rules or for risks with insured values of \$100,000 or more should be referred to company.

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39. **FARM INLAND MARINE (Cont.)**

E. 4. **Other Credit Factors**

- a. Sequentially apply the following credits to Inland Marine premiums developed.
- b. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **a.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- c. **Persistency Credit**
Multiply the premium developed in Paragraph **b.** by the factor from Rule **36.E.1.**
- d. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **c.** by the factor from Rule **36.E.2.**
- e. **Loss Free Credit**
Multiply the premium developed in Paragraph **d.** by the factor from Rule **36.E.3.**
- f. **Territorial Multiplier**
Multiply the premium developed in Paragraph **e.** by the factor from Rule **44.**
- g. **Organic Certification Credit**
Multiply the premium developed in Paragraph **f.** by the factor from Rule **43.J.** if Organic Certification applies.
- h. **Fixed Expense Credit**
Multiply the premium developed in Paragraph **g.** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

F. **Coverage Extension For Borrowed Or Rented Farm Machinery, Vehicles, Equipment – Scheduled Basis Only**

1. Form **FP 00 30** provides an extension of coverage, in the form of a thirty-day additional \$10,000 Limit, to property borrowed or rented, whether or not under a written contract, as described and limited in **A.1.b.** of the coverage form. This coverage extension applies only to property that the insured borrows or rents during the policy term.
2. This additional \$10,000 Limit may be increased by entering the selected higher Limit in the Declarations. Compute the thirty-day premium for a higher Limit by multiplying the excess over \$10,000 by the Machinery, Vehicles and Implements Blanket rate in the Coverage **E** rate table in the State Rate pages.
3. **Deductible**
Multiply the premium developed in Paragraph **2.** by the appropriate factor from Table **36.C.3.d.** or **36.C.6.d.**
4. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **3.** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
5. **Persistency Credit**
Multiply the premium developed in Paragraph **4.** by the factor from Rule **36.E.1.**
6. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **5.** by the factor from Rule **36.E.2.**
7. **Loss Free Credit**
Multiply the premium developed in Paragraph **6.** by the factor from Rule **36.E.3.**

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39. **FARM INLAND MARINE (Cont.)**

F. 8. **Territorial Multiplier**

Multiply the premium developed in Paragraph 7. by the factor from Rule 44.

9. **Organic Certification Credit**

Multiply the premium developed in Paragraph 8. by the factor from Rule 43.J. if Organic Certification applies.

10. **Fixed Expense Credit**

Multiply the premium developed in Paragraph 9. by the factor from Rule 43.H.

Note. This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

G. **Optional Coverages**

1. **Extra Expense**

Extra Expense Coverage may be provided for expense incurred in order to continue as nearly as practicable normal farm operations following damage to covered property by a covered cause of loss. Enter the Limit of Insurance for Extra Expense in the Declarations.

a. Compute the premium by multiplying the limit of extra expense insurance by 1.5 times the highest-rated covered Coverage G building rate. Construction and protection modifications do apply. Deductible modification does not apply.

b. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph a. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

c. **Persistency Credit**

Multiply the premium developed in Paragraph b. by the factor from Rule 36.E.1.

d. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph c. by the factor from Rule 36.E.2.

e. **Loss Free Credit**

Multiply the premium developed in Paragraph d. by the factor from Rule 36.E.3.

f. **Territorial Multiplier**

Multiply the premium developed in Paragraph e. by the factor from Rule 44.

g. **Organic Certification Credit**

Multiply the premium developed in Paragraph f. by the factor from Rule 43.J. if Organic Certification applies.

h. **Fixed Expense Credit**

Multiply the premium developed in Paragraph g. by the factor from Rule 43.H.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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39. FARM INLAND MARINE (Cont.)

G. 2. Machinery

a. Foreign Objects In Machinery

Coverage may be extended to include loss due to foreign objects ingested into farm machinery, vehicles and equipment specifically described in the Declarations, subject to the following:

- (1) The Declarations must indicate whether coverage applies to a particular item;
- (2) The Limit of Insurance for each covered item must reflect the full value of the item;
- (3) Use Foreign Objects In Machinery Endorsement **FP 04 20**.

Compute the additional premium for Endorsement **FP 04 20** by multiplying the final premium for each covered item by 0.10 before Fixed Expense Credit is calculated.

b. Mobile Agricultural Machinery And Equipment Replacement Cost Coverage

- (1) The policy may be endorsed to cover items of mobile agricultural machinery and equipment up to five model years old at replacement cost instead of actual cash value, provided each item to be so covered is subject to a limit of insurance equal to at least 100% of its replacement value and is covered on a schedule basis.
- (2) Use Replacement Cost – Mobile Agricultural Machinery And Equipment Endorsement **FP 05 21**.
- (3) In the Schedule of **FP 05 21** enter the description of each item to be covered at replacement cost, as it appears in the Farm Inland Marine Declarations.
- (4) Compute the additional premium for Endorsement **FP 05 21** by multiplying the final premium for each covered item by 0.40 before Fixed Expense Credit is calculated.

c. Breakage Of Cab Glass

- (1) The Mobile Agricultural Machinery And Equipment Coverage Form **FP 00 30** may be endorsed to cover breakage of glass in the cab of scheduled mobile agricultural machinery or farm vehicles, subject to certain exclusions and conditions. The endorsement provides for replacement of broken cab glass on either an actual cash value loss valuation or on the basis of the cost to repair or replace the broken cab glass with the most closely equivalent cab glass obtainable. No deductible applies to this coverage. See Endorsement **FP 05 22** for further details.
- (2) Use Cab Glass Breakage Endorsement **FP 05 22**.
In the Schedule of Endorsement **FP 05 22**, identify the machinery or vehicle(s) for which coverage is desired.
- (3) **Premium Determination**
 - (a) Refer to the rates in Table **36.D.3.b.(3)(R)**.
 - (b) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (a) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

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39. **FARM INLAND MARINE (Cont.)**

G. 2. c. (3) (c) **Persistency Credit**

Multiply the premium developed in Paragraph (b) by the factor from Rule **36.E.1.**

(d) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (c) by the factor from Rule **36.E.2.**

(e) **Loss Free Credit**

Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.3.**

(f) **Territorial Multiplier**

Multiply the premium developed in Paragraph (e) by the factor from Rule **44.**

(g) **Organic Certification Credit**

Multiply the premium developed in Paragraph (f) by the factor from Rule **43.J.** if Organic Certification applies.

(h) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

3. **Livestock**

Coverage may be extended to include death by accidental shooting, drowning, electrocution, attack by dogs or wild animals and collapse of building. Use Livestock – Additional Causes Of Loss Endorsement **FP 10 04** and rate the coverage as Broad Causes of Loss.

a. Multiply the rate for the Broad Causes of Loss Blanket Livestock from Table **36.C. – 4 (R)** in the State Rate pages by the amount of coverage; the resulting premium is an additional premium. The deductible factor from Table **36.C.3.d.** or Table **36.C.6.d.** applies.

b. **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph a. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

c. **Persistency Credit**

Multiply the premium developed in Paragraph b. by the factor from Rule **36.E.1.**

d. **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph c. by the factor from Rule **36.E.2.**

e. **Loss Free Credit**

Multiply the premium developed in Paragraph d. by the factor from Rule **36.E.3.**

f. **Territorial Multiplier**

Multiply the premium developed in Paragraph e. by the factor from Rule **44.**

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39. **FARM INLAND MARINE (Cont.)**

- G. 3. g. **Organic Certification Credit**
Multiply the premium developed in Paragraph f. by the factor from Rule **43.J.** if Organic Certification applies.

- h. **Fixed Expense Credit**
Multiply the premium developed in Paragraph g. by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

4. **Coverage For Damage Sustained Only By Tires In Collisions, Upsets Or Overturns Of Mobile Agricultural Machinery And Equipment**

- a. **Description Of Coverage**
Tires (including tubes) mounted on mobile agricultural machinery and equipment may be covered, at actual cash loss valuation only, against loss or damage sustained in occurrences involving collision, upset or overturn that does not cause covered damage to the rest of the machinery or equipment.
No deductible applies to this coverage.

- b. **Form**
Use Coverage For Damage Sustained Only By Tires In Collisions, Upsets Or Overturns Of Mobile Agricultural Machinery And Equipment Endorsement **FP 10 57.**

c. **Rules**

(1) **Schedule**

Indicate in the Schedule:

- (a) For each group of tires, the make, type/size, Limit of Insurance per tire and number of tires;
(b) For the machinery or equipment on which the tires are mounted, the type/function, make, model and year.

(2) **Premium Determination**

- (a) For each category of tires of a given type/size shown in the Schedule, multiply the Limit of Insurance per tire by the number of tires to determine the total Limit of Insurance. Multiply the result (in thousands) by the cotton pickers and combines - Special Coverage **E/Farm Inland Marine** in the State Rate pages – see Table **36.C.4. – (R).**
(b) Total the results of Step (a).
(c) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (b) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
(d) **Persistency Credit**
Multiply the premium developed in Paragraph (c) by the factor from Rule **36.E.1.**
(e) **Insurance Score (Does not apply in the state of CA)**
Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.2.**
(f) **Loss Free Credit**
Multiply the premium developed in Paragraph (e) by the factor from Rule **36.E.3.**

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39. **FARM INLAND MARINE (Cont.)**

- G. 4. c. (2) (g) **Territorial Multiplier**
Multiply the premium developed in Paragraph (f) by the factor from Rule 44.
- (h) **Organic Certification Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule 43.J. if Organic Certification applies.
- (i) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (h) by the factor from Rule 43.H.
- Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

5. **Watercraft**

- a. **Description**
Physical damage coverage.
- b. **Form**
M2807F
- c. **Premium Determination**
Determine Rate from the following table and multiply by Limit of Insurance.

Watercraft	Deductible	Rate per \$1000
Outboard Motors & Boats	\$100	\$14.00
	\$250	\$10.00
Inboard/Outboard Motor Boats	\$100	\$18.00
	\$250	\$14.00
Sailboats, Canoes, & Drift Boats (all without motors)	\$100	\$14.50
	\$250	\$11.50
Trailers	\$100	\$10.00
	\$250	\$ 5.00
Accessories	\$100	\$14.00
	\$250	\$10.00

Table 39.G.5. Rates For Watercraft

- d. **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph c. by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- e. **Persistency Credit**
Multiply the premium developed in Paragraph d. by the factor from Rule 36.E.1.
- f. **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph e. by the factor from Rule 36.E.2.
- g. **Loss Free Credit**
Multiply the premium developed in Paragraph f. by the factor from Rule 36.E.3.
- h. **Territorial Multiplier**
Multiply the premium developed in Paragraph g. by the factor from Rule 44.

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39. **FARM INLAND MARINE (Cont.)**

- G. 5. i. **Organic Certification Credit**
Multiply the premium developed in Paragraph h. by the factor from Rule **43.J.** if Organic Certification applies.
- j. **Fixed Expense Credit**
Multiply the premium developed in Paragraph i. by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- H. **Optional Exclusions**
 - 1. **Theft Exclusion**
 - a. **Description**
Theft coverage may be excluded for specified types of property on the described insured location.
 - b. **Form**
Use Theft Exclusion Endorsement **FP 10 14.**
In the Schedule of **FP 10 14**, indicate the type of property and the insured locations to which the theft exclusion applies.
 - c. **Premium Modification**
There is no premium consideration.
 - 2. **Windstorm Or Hail Exclusion**
 - a. **Description**
Windstorm or hail coverage may be excluded for specified covered property on the described insured location.
 - b. **Form**
Use Windstorm Or Hail Exclusion Endorsement **FP 10 15.**
In the Schedule of **FP 10 15**, indicate the covered property and insured locations to which the windstorm or hail exclusion applies.
 - c. **Premium Modification**
There is no premium consideration.
 - 3. **Vandalism Exclusion**
 - a. **Description**
Vandalism coverage may be excluded for specified covered property on the described insured location.
 - b. **Form**
Use Vandalism Exclusion Endorsement **FP 10 16.**
In the Schedule of **FP 10 16**, indicate the covered property and insured locations to which the vandalism exclusion applies.
 - c. **Premium Modification**
There is no premium consideration.

40. – 42. **RESERVED FOR FUTURE USE**

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SECTION IV – ADDITIONAL OREGON MUTUAL RULES
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43. **ADDITIONAL OREGON MUTUAL RULES**

A. **Bee Board Coverage**

1. **Description**

This endorsement provides coverage for Bee Boards and Bee Larvae.

2. **Form**

M2453F

3. **Premium Determination**

(a) Use the Scheduled Farm Property – NOC "Special" rate from **Table 36.C. – 4 (R)**.

(b) **Protection**

Multiply the premium developed in Paragraph (a) by the applicable protection factor from Rule **36.C.8.b**.

(c) **Deductible**

Multiply the premium developed in Paragraph (b) by the appropriate factor from Table **36.C.3.d** or Table **36.C.6.d**.

(d) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (c) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(e) **Persistency Credit**

Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.1**.

(f) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (e) by the factor from Rule **36.E.2**.

(g) **Loss Free Credit**

Multiply the premium developed in Paragraph (f) by the factor from Rule **36.E.3**.

(h) **Territorial Multiplier**

Multiply the premium developed in Paragraph (g) by the factor from Rule **44**.

(i) **Organic Certification Credit**

Multiply the premium developed in Paragraph (h) by the factor from Rule **43.J**, if Organic Certification applies.

(j) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (i) by the factor from Rule **43.H**.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

B. Dairy Farm Cluster

1. Description

The following coverages are grouped together into a single endorsement for the purpose of simplifying handling and reducing overall expense of policy issuance.

- Milk Contamination and Leakage
- Consequential Cost to Raw Milk Due To Breakdown Of Milking or Refrigeration Equipment

2. Form

M2691F

3. Premium Determination

(a) Refer to Table **43.B.3.(a)(R)** in State Rate pages. The rate applies for each location at which machinery or milk storage equipment is located.

(b) Individual Risk Premium Modification

Multiply the premium developed in Paragraph **(a)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(c) Persistency Credit

Multiply the premium developed in Paragraph **(b)** by the factor from Rule **36.E.1.**

(d) Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.E.2.**

(e) Loss Free Credit

Multiply the premium developed in Paragraph **(d)** by the factor from Rule **36.E.3.**

(f) Territorial Multiplier

Multiply the premium developed in Paragraph **(e)** by the factor from Rule **44.**

(g) Organic Certification Credit

Multiply the premium developed in Paragraph **(f)** by the factor from Rule **43.J.** if Organic Certification applies.

(h) Fixed Expense Credit

Multiply the premium developed in Paragraph **(g)** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

C. Dwelling Under Course Of Construction

1. Description

This endorsement provides coverage for scheduled buildings in the course of construction for an insured by a contractor.

2. Form

M2698F

3. Premium Determination

Rate as a dwelling. The premium is to be calculated based on Coverage **A** premium for the fully completed building based on the full value upon completion.

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

D. Employee Benefit Liability

1. Description of Coverage

This is a claims-made form covering claims by an employee against the insured for the insured's liability arising out of the administration of employee benefit programs. Includes a sixty (60) day extended reporting period.

2. Form

M2816F

3. Premium Determination

(a) Refer to Table **43.D.3.(a)(R)** in the State Rate pages.

(b) Multiply the premium developed in Paragraph **(a)** by the Optional Limits Factors from Table **37.D.3.a**.

(c) Individual Risk Premium Modification

Multiply the premium developed in Paragraph **(b)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(d) Persistency Credit

Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.E.1**.

(e) Insurance Score (Does not apply in California)

Multiply the premium developed in Paragraph **(d)** by the factor from Rule **36.E.2**.

(f) Loss Free Credit

Multiply the premium developed in Paragraph **(e)** by the factor from Rule **36.E.3**.

(g) Territorial Multiplier

Multiply the premium developed in Paragraph **(f)** by the factor from Rule **44**.

(h) Organic Certification Credit

Multiply the premium developed in Paragraph **(g)** by the factor from Rule **43.J**, if Organic Certification applies.

(i) Fixed Expense Credit

Multiply the premium developed in Paragraph **(h)** by the factor from Rule **43.H**.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

(j) Deductible

Always \$1,000 per employee.

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43. ADDITIONAL OREGON MUTUAL RULES (Cont.)

E. Employee Benefits Liability Insurance Optional Extended Reporting Period (Claims-Made)

1. Description of Coverage

The reporting period can be extended up to five years upon written request from the insured within 60 days of the end of the policy period if:

- (a) Coverage is cancelled or non-renewed for any reason except non-payment of premium;
- (b) We renew or replace the coverage with other insurance which provides claims-made coverage and has a Retroactive Date later than the one shown in the endorsement schedule; or
- (c) We replace the coverage with other insurance that does not apply on a claims made basis.

2. Form

M2817F

3. Premium Determination

Charge 100% of the annual Employee Benefits Liability premium.

F. Farm Commercial Cluster

1. Description

The following coverages are grouped together into a single endorsement for the purpose of simplifying handling and reducing overall expense of policy issuance. This Cluster endorsement may be used alone or in conjunction with any other Cluster endorsement.

- Accounts Receivable
- Additional Machinery, Vehicles And Equipment Newly Purchased
- Arson Reward
- Animal Feed
- Brands And Labels
- Electronic Data Processing Media Extra Expense
- Errors And Omissions In Describing A Premises Or Location
- Extra Expense
- Farm Equipment Borrowed Or Rented Without A Written Contract
- Farm Personal Property In Transit
- Fire Department Service Charge And Replacement Of Fire Extinguishing Materials.
- Hay In Stacks
- Inventory And Appraisal Cost
- Livestock
- Mechanical Breakdown Of Computer Equipment
- Newly Acquired Or Constructed Property
- Outdoor Unattached Signs
- Personal Property Of Others
- Replacement Machinery, Vehicles And Equipment Newly Purchased
- Valuable Papers And Records And Electronic Media And Records

2. Form

M2690F

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43. ADDITIONAL OREGON MUTUAL RULES (Cont.)

F. 3. Premium Determination

- (a) Refer to Table **43.F.3.(a)(R)**. The rate applies for **each** location covered by the policy at which there are covered buildings or buildings containing covered property.
- (b) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (a) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- (c) **Persistency Credit**
Multiply the premium developed in Paragraph (b) by the factor from Rule **36.E.1**.
- (d) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (c) by the factor from Rule **36.E.2**.
- (e) **Loss Free Credit**
Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.3**.
- (f) **Territorial Multiplier**
Multiply the premium developed in Paragraph (e) by the factor from Rule **44**.
- (g) **Organic Certification Credit**
Multiply the premium developed in Paragraph (f) by the factor from Rule **43.J**, if Organic Certification applies.
- (h) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule **43.H**.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

G. Farm Personal Cluster

1. Description

The following coverages are grouped together into a single endorsement for the purpose of simplifying handling and reducing overall expense of policy issuance. This Cluster endorsement may be used alone or in conjunction with any other Cluster endorsement.

- Accidental Death Benefit
- Condominium Unit-Owner Additions
- Credit Cards And Electronic Fund Transfer Cards
- Damage To Property Removed For Safekeeping
- Flood Or Overturn Of A Conveyance
- Household Personal Property At A Newly Acquired Principle Residence
- Key And Lock Replacement
- Landlord's Furnishings
- Loss Assessment
- Refrigerated Products – Not "Farm Personal Property"
- Replacement Cost Provision With Building Code Upgrade – Coverages A and B
- Replacement Or Stabilization Of Land
- Reward Coverage
- Special Limits Of Insurance Under Coverage **C**
- Tenant's Improvements And Betterments
- Water Backup Of Sewers Or Drains

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

- G. 2. **Form**
M2689F
- 3. **Premium Determination**
Charge 2.5% of the final premium(s) applicable to the dwelling(s) covered by the endorsement before Fixed Expense Credit is calculated.
- H. **Fixed Expense Credit**
Refer to Table **43.H.** in the State Rule Exception pages.
- I. **Irrigation Equipment Coverage Extension**
 - 1. **Description**
This endorsement extends collapse coverage for defined irrigation equipment.
 - 2. **Form**
M2699F
 - 3. **Premium Determination**
Charge 25% of the final premium before Fixed Expense Credit is calculated developed from Table **36.C. 4 – (R)** for applicable irrigation equipment.
- J. **Organic Certification Credit**
 - 1. **Description**
To be eligible for the Organic Certification Credit the farm must be certified by a USDA Accredited Certifying Agent as USDA Organic.
 - 2. **Premium Determination**
Apply a 10% credit to the final policy premium except earthquake premium before Fixed Expense Credit is calculated.
- K. **Winery Cluster Endorsement**
 - 1. **Description**
Coverage is available for all otherwise acceptable wineries. This endorsement contains the same coverage provisions as the Winery Special Cluster Endorsement except that it does not provide Consequential Loss coverage.
 - 2. **Form**
M2378F
 - 3. **Premium Determination**
 - (a) Refer to Table **43.K.3.(a)(R)** in the State Rate pages. The charge is for **each** location covered by the policy at which there are covered buildings or buildings containing covered wine, wine manufacturing equipment or stock.
 - (b) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **(a)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (c) **Persistency Credit**
Multiply the premium developed in Paragraph **(b)** by the factor from Rule **36.E.1.**
 - (d) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.E.2.**

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

- K. 3. (e) **Loss Free Credit**
Multiply the premium developed in Paragraph (d) by the factor from Rule 36.E.3.
 - (f) **Territorial Multiplier**
Multiply the premium developed in Paragraph (e) by the factor from Rule 44.
 - (g) **Organic Certification Credit**
Multiply the premium developed in Paragraph (f) by the factor from Rule 43.J. if Organic Certification applies.
 - (h) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.
- L. **Winery Cluster Extension – Wine Leakage**
- 1. **Description**
This endorsement provides for purchasing additional limits of coverage for Wine Leakage.
 - 2. **Eligibility**
This endorsement is available only in conjunction with either a Winery Cluster Endorsement or Winery Special Cluster Endorsement.
 - 3. **Form**
M2692F
 - 4. **Premium Determination**
 - (a) Use the Scheduled Farm Property – NOC "Special" rate from Table 36.C. – 4 (R) in the State Rate pages. Protection modification does not apply. The deductible factor from Table 36.C.3.d. or Table 36.C.6.d. applies.
 - (b) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph (a) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
 - (c) **Persistency Credit**
Multiply the premium developed in Paragraph (b) by the factor from Rule 36.E.1.
 - (d) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph (c) by the factor from Rule 36.E.2.
 - (e) **Loss Free Credit**
Multiply the premium developed in Paragraph (d) by the factor from Rule 36.E.3.
 - (f) **Territorial Multiplier**
Multiply the premium developed in Paragraph (e) by the factor from Rule 44.
 - (g) **Organic Certification Credit**
Multiply the premium developed in Paragraph (f) by the factor from Rule 43.J. if Organic Certification applies.
 - (h) **Fixed Expense Credit**
Multiply the premium developed in Paragraph (g) by the factor from Rule 43.H.
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

M. **Winery Cluster Extension – Unexpected Wine Contamination**

1. **Description**

This endorsement provides coverage for Unexpected Wine Contamination. Enter the limit of insurance in the declarations.

2. **Eligibility**

This endorsement is available only in conjunction with either a Winery Cluster Endorsement or Winery Special Cluster Endorsement.

3. **Form**

M2805F

4. **Premium Determination**

(a) Refer to Table **43.M.3.(a)(R)** in State Rate Pages.

(b) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph (a) by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(c) **Persistency Credit**

Multiply the premium developed in Paragraph (b) by the factor from Rule **36.E.1**.

(d) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph (c) by the factor from Rule **36.E.2**.

(e) **Loss Free Credit**

Multiply the premium developed in Paragraph (d) by the factor from Rule **36.E.3**.

(f) **Territorial Multiplier**

Multiply the premium developed in Paragraph (e) by the factor from Rule **44**.

(g) **Organic Certification Credit**

Multiply the premium developed in Paragraph (f) by the factor from Rule **43.J**, if Organic Certification applies.

(h) **Fixed Expense Credit**

Multiply the premium developed in Paragraph (g) by the factor from Rule **43.H**.

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

4. **Deductible**

10% of the limit of insurance.

N. **Winery Cluster Extension – Unexpected Wine Oxidation**

1. **Description**

This endorsement provides coverage for Unexpected Wine Oxidation. Enter the limit of insurance in the declarations.

2. **Eligibility**

This endorsement is available only in conjunction with either a Winery Cluster Endorsement or Winery Special Cluster Endorsement.

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

N. 3. **Form**

M2815F

4. **Premium Determination**

(a) Refer to Table **43.N.3.(a)(R)** in State Rate Pages.

(b) **Individual Risk Premium Modification**

Multiply the premium developed in Paragraph **(a)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.

(c) **Persistency Credit**

Multiply the premium developed in Paragraph **(b)** by the factor from Rule **36.E.1.**

(d) **Insurance Score (Does not apply in California)**

Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.E.2.**

(e) **Loss Free Credit**

Multiply the premium developed in Paragraph **(d)** by the factor from Rule **36.E.3.**

(f) **Territorial Multiplier**

Multiply the premium developed in Paragraph **(e)** by the factor from Rule **44.**

(g) **Organic Certification Credit**

Multiply the premium developed in Paragraph **(f)** by the factor from Rule **43.J.** if Organic Certification applies.

(h) **Fixed Expense Credit**

Multiply the premium developed in Paragraph **(g)** by the factor from Rule **43.H.**

Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

5. **Deductible**

10% of the limit of insurance.

O. **Winery Special Cluster Endorsement**

1. **Description**

Coverage is available for all otherwise acceptable wineries which maintain a backup power supply capable of keeping the air conditioning and refrigeration equipment functioning adequately to prevent spoilage of the insured property for up to 72 hours in the event of an interruption of the primary sources of power. The following coverages are grouped together into a single endorsement for the purpose of simplifying handling and reducing overall expense of policy issuance.

- Fire Department Service Charges
- Money and Securities
- Wine Leakage
- Property in Transit
- Accounts Receivable
- Valuable Papers & Electronic Media and Records
- Errors and Omissions in describing a premises
- Arson Reward
- Brands and Labels
- Mechanical Breakdown of Computer Equipment
- Outdoor Unattached Signs
- Display Booths
- Consequential Loss

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43. **ADDITIONAL OREGON MUTUAL RULES (Cont.)**

O. 2. **Form**

M2377F

3. **Premium Determination**

- (a) Refer to Table **43.O.3.(a)(R)** in the State Rate pages. The charge is for **each** location covered by the policy at which there are covered buildings or buildings containing covered wine, wine manufacturing equipment or stock.
- (b) **Individual Risk Premium Modification**
Multiply the premium developed in Paragraph **(a)** by any credit or debit resulting from the application of the Individual Risk Premium Modification Plan.
- (c) **Persistency Credit**
Multiply the premium developed in Paragraph **(b)** by the factor from Rule **36.E.1.**
- (d) **Insurance Score (Does not apply in California)**
Multiply the premium developed in Paragraph **(c)** by the factor from Rule **36.E.2.**
- (e) **Loss Free Credit**
Multiply the premium developed in Paragraph **(d)** by the factor from Rule **36.E.3.**
- (f) **Territorial Multiplier**
Multiply the premium developed in Paragraph **(e)** by the factor from Rule **44.**
- (g) **Organic Certification Credit**
Multiply the premium developed in Paragraph **(f)** by the factor from Rule **43.J.** if Organic Certification applies.
- (h) **Fixed Expense Credit**
Multiply the premium developed in Paragraph **(g)** by the factor from Rule **43.H.**
Note: This step cannot be performed until premiums for all coverages have been determined except for the application of this credit.

P. **Winery Stock Valuation Endorsement**

1. **Description**

This endorsement is used on all policies covering wineries. It provides specific conditions for valuing Finished Stock, Irreplaceable Wines, and Stock in Process designed especially for Winery exposures.

2. **Form**

M2380F

3. **Premium Determination**

There is no premium associated with this endorsement.

44. **TERRITORY**

Refer to Table **44.** in the State Rule Exception pages.