

FARM LIABILITY COVERAGE

(Entries required to complete the Schedule will be shown below or on the "declarations".)

Schedule

The Schedule shows the location of each farm premises, whether owned and operated by an "insured"; owned by an "insured" and rented or held for rental to others; or rented to an "insured".

1. Initial Farm Premises - Show the location of largest parcel of farm land with outbuildings and all additional farm premises without outbuildings maintained by an insured. Show the acreage for each location listed.

Initial Farm Premises:
Total Acreage Premium

2. Additional Farm Premises - Show the location of each additional farm premises with outbuildings.

Additional Farm Premises:
Number Premium

3. An entry below indicates that:

[] The premium charged for the coverage provided by this endorsement is a deposit premium. An annual audit period applies unless another audit period is indicated below.

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

DEFINITIONS

1. With respect to Coverage L and Coverage M, the definition of "business" is deleted and replaced by the following:

"Business" means:

- a. a trade, a profession, or an occupation, all whether full time, part time, or occasional. This includes the rental of property to others, but does not include:
 - 1) the occasional rental for residential purposes of that part of the "described location" normally occupied solely by "your" household; or

- 2) the rental or holding for rental of a portion of that part of the "described location" normally occupied by "your" household to no more than two roomers or boarders for use as a residence; or
- b. any other activity undertaken for money or other compensation, but this does not include:
 - 1) "farming";
 - 2) providing care services to a relative of an "insured";
 - 3) providing services for the care of persons who are not relatives of an "insured" and for which the only compensation is the mutual exchange of like services;
 - 4) a volunteer activity for which:
 - a) an "insured" receives no compensation; or
 - b) an "insured's" only compensation is the reimbursement of expenses incurred to carry out the activity; or
 - 5) an activity not described in 1) through 4) above for which no "insured's" total compensation for the 12 month period just before the first day of this policy period was more than \$2,500.

2. With respect to Coverage L and Coverage M, the definition of "domestic employee" is amended to include the following addition:

"Domestic employee" does not include a "farm employee".

3. With respect to Coverage L and Coverage M, the definition of "farm employee" is added:

"Farm employee" means a person employed by an "insured", or a person leased to an "insured" under a contract or an agreement with a labor leasing firm, to perform duties that relate to the "farming" operations of the "insured".

However, "farm employee" does not include a "domestic employee" or an "employee" while engaged in an "insured's" "business".

4. With respect to Coverage L and Coverage M, the definition of "farming" is added:

"Farming" means the ownership, maintenance, or use of premises for the production of crops or the raising or care of livestock, including all necessary operations.

"Farming" also includes the operation of roadside stands and farm markets maintained principally for the sale of the "insured's" own farm products, but it does not include other retail activities.

5. With respect to Coverage L and Coverage M, item h. under the definition of "insured premises" is deleted and replaced by the following:

h. the farm premises described in the Schedule above, other land "you" use for "farming" purposes, new farm premises acquired by "you" during the policy period, and vacant land owned by or rented to an "insured". This includes land where a one- to four-family house, a townhouse, or a row house is being built for use as an "insured's" residence.

LIABILITY COVERAGES

PRINCIPAL LIABILITY COVERAGES

Item b.3) under Coverage M -- Medical Payments To Others is deleted and replaced by the following:

- 3) is caused by a "domestic employee" or a "farm employee" in the course of his or her employment by an "insured; or

INCIDENTAL LIABILITY COVERAGES

1. Under the Incidental Liability Coverage for Business, item 1.a.1) is deleted and replaced by the following:
 - 1) the rental or holding for rental of an "insured premises":
 - a) on an occasional basis for use only as a residence;
 - b) in part for use only as a residence (No family unit may include more than two roomers or boarders.);
 - c) in part for use as a school, studio, office, or private garage; or
 - d) that is a farm premises described in the Schedule above or a new farm premises acquired by "you" during the policy period; or
2. The following Incidental Liability Coverage is added:

Custom Farm Work -- "We" pay for "bodily injury" or "property damage" that arises out of the "insured's" performance of or failure to perform custom farm work for others for a charge under contract or agreement. Custom farm work includes the use of draft animals, farm tractors, farm trailers, farm implements, and other farm machinery used in performing the work.

This coverage applies only if "your" receipts from custom farm work for the 12 months just before the date of the "occurrence" do not exceed \$5,000. This coverage does not apply to "bodily injury" or "property damage" that arises out of the application of pesticides or herbicides.

EXCLUSIONS THAT APPLY TO LIABILITY COVERAGES

1. The following exclusions are added under Exclusions That Apply To Coverages L and Coverage M:
 - a. Coverage L and Coverage M do not apply to "bodily injury" or "property damage" that arises out of the use of animals, other than horses, in or in the practice or preparation for, a prearranged or organized racing, speed, pulling or pushing, or stunt activity or contest.

However, this exclusion applies only to "occurrences" that take place at the location designated for the contest or activity.
 - b. Coverage L and Coverage M do not apply to "bodily injury" or "property damage" that arises out of the "insured's" performance of or failure to perform custom farm work for others for a charge under contract or agreement, except as provided under the Incidental Liability Coverage for Custom Farm Work.
 - c. Coverage L and Coverage M do not apply to "bodily injury" or "property damage" that arises out of the discharge of substances from an "aircraft".
2. Under Additional Exclusions That Apply Only To Coverage L, item 2.c. is deleted and replaced by the following:
 - c. liability under a contract or an agreement entered into by an "insured", except as provided under the Incidental Liability Coverage for Contracts.

However, this exclusion does not apply to a warranty of farm goods or products.

3. The following exclusions are added under Additional Exclusions That Apply Only To Coverage L:

- a. Coverage L does not apply to "property damage" to products manufactured, sold, handled, or distributed by an "insured" when the "property damage" arises out of such products or a part of the products.
- b. Coverage L does not apply to "property damage" to work performed by or for an "insured" when the "property damage" arises out of such work or a part of the work.

However, this exclusion does not apply to the extent that coverage is provided under the Incidental Liability Coverage for Custom Farm Work.

- c. Coverage L does not apply to "bodily injury" to a "farm employee" that occurs in the course of employment by the "insured" or the consequential injury to a spouse, child, parent, brother, or sister of such injured "farm employee". This exclusion applies whether the "insured" is liable either as an employer or in any other capacity and to any obligation of an "insured" to fully or partially reimburse another for damages arising out of the injury.

However, this exclusion does not apply to liability assumed by an "insured" under a contract or an agreement.

4. The following exclusion is added under Additional Exclusions That Apply Only To Coverage M:

Coverage M does not apply to "bodily injury" to a "farm employee" or any other person, other than a "domestic employee", who is engaged in duties that relate to "farming" operations.

However, this exclusion does not apply to "bodily injury" sustained by a person on the "insured premises" in a neighborly exchange of assistance for which the "insured" is not obligated to pay any money.

POLICY CONDITIONS

CONDITIONS APPLICABLE TO LIABILITY COVERAGES ONLY

The following conditions are added:

1. **Examination of Books and Records --** "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.
2. **Premium --** When a premium is shown as a deposit premium, "we" will compute the final earned premium at the end of each audit period shown in the Schedule. If the final earned premium is more than the deposit premium paid by "you", "we" will bill "you" for the difference. If the final earned premium is less than the deposit premium paid by "you", "we" will return the difference to "you". "You" must maintain records of the information that is necessary for computing the premium. Copies of the records must be sent to "us" at the end of the audit period or when requested by "us".

If the premium for coverage provided by this policy is based upon an audit of exposures and the final premium is determined after the expiration of the policy, any additional premium owed to "us" is due on the due date that appears on the billing notice.

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