



Your Farm and Assets – and the Umbrella Policy

A Farm Umbrella policy provides coverage for liability claims over the limits on the insurance policies you currently have. An unexpected catastrophe involving your farming operations could result in a large judgment against you. With a Farm Umbrella, your farm and personal assets, as well as your future earnings, would be protected.



Bad Things Do Happen

Jury awards and out-of-court settlements routinely run into hundreds of thousands or even millions of dollars. Add legal fees, and the expense is staggering. Without adequate protection, your farm and personal assets could be placed in serious jeopardy.

A Farm Umbrella policy could protect you against excess liability judgments for loss, injury, or even death caused by negligent acts. It is designed to provide liability protection over and above the Farmowners and Auto policies you currently have.

These events did happen on ranches and farms, and could happen to you.

- > Insured's employee failed to stop vehicle at accident site and struck multiple vehicles.
\$1.8 million
- > Neighbor child injured while playing on irrigation equipment.
\$1.4 million
- > Horse escaped farm property and collided with vehicle on public road.
\$850,000
- > Grain hauler seriously injured by insured's unprotected drive shaft on auger.
\$2.1 million
- > Dust from harvesting operations caused auto accident on adjacent road.
\$650,000

How well are you and your family protected from having to pay a large liability loss out of your own personal and farm assets?

Consider this example:

You are driving into town to purchase farm supplies. During your drive, you accidentally cross the centerline and collide head-on with another vehicle. Two passengers in the other car are killed and the driver is seriously injured. You are found negligent and ordered to pay \$1,500,000 to settle the injury claims.

You have an Auto policy with a \$500,000 per accident liability limit. Fortunately, you also have a \$1 million Farm Umbrella policy. The Auto policy paid \$500,000 and the Farm Umbrella policy paid the remaining \$1 million.



Why do I need more insurance?

You may say – *“We have insurance for our farm, trucks and cars. That should be enough. Why do we need a Farm Umbrella policy too?”*

In the event of an accident, your Auto and Farmowners (or even Watercraft) policies give you protection for bodily injury and/or property damage, but only up to your policy limit. You are responsible for any loss beyond those limits.

In the case of a lawsuit, your current insurance would protect you against a minor misfortune, but it may not protect you against having to pay a large monetary award. With inadequate insurance, those losses can impact future wages and retirement plans, and may even jeopardize your farm ownership.

A Farm Umbrella policy can help you mitigate these exposures.

So, how much insurance is enough?

You do not have to be a millionaire to be sued like one. However, with the number of millionaires in the U.S. increasing every year, it shows that the value of assets grows – so you should tally your assets to see what dollar amount you need to protect using an Umbrella policy.

Millionaires in the United States

2013	12,537,000
2014	14,753,000
2015	13,271,000
2016	14,256,000
2017	16,472,000
2018	17,350,000
Projected 2023	20,478,000



Reexamining your liability policy limits is as critical as managing your farm's overall finances – and will help ensure that you are protected against an unknown catastrophic liability loss.

Are you prepared?

Ask your independent agent to help you decide what Farm Umbrella policy limit is right for you.

Sources: Jury Verdict Research, an LRP Publication Company, Horsham, Pennsylvania; Credit Suisse Research Institute, "Global Wealth Report", 2013-2018.



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