

FARM PERSONAL PROPERTY UNDERWRITING GUIDELINES

Scheduled:

Farm personal Property, other than household contents and certain excluded items, may be insured specifically. Each different type of personal property is listed and valued separately, but the total is used in determining the premium.

Machinery: A list of the year, make, model and serial number of all machinery, such as tractors, combines, etc. should be given with a specific amount on each item. All small tools and materials are to be shown grouped together.

Livestock: The number of livestock in each class, with a limit per head, must be provided. Insurance must be at 80% of actual cash value of the total. It is important that the total number of livestock in each class be specifically insured to simplify adjusting any losses.

Exclusions: The following are not eligible to be insured as scheduled farm personal property:

1. Portable Buildings: May be insured separately as a building or included as part of a Farm Blanket Inventory.
2. Items used in a trade or profession other than farming such as a contractor's equipment and tools.

Farm Blanket:

Coverage may be provided for all farm personal property under a farm blanket by completing an inventory form and attaching to the application. It is important that all farm personal property be inventoried to qualify for blanket coverage.

Newly acquired farm personal property is automatically covered. The policyholder must have sufficient insurance to avoid the 80% co-insurance clause at the time of a loss. The company must be notified of any acquisition of large equipment or livestock so that appropriate changes to coverage are made.

Portable buildings are covered up to \$1,500.00 each.

Cargo coverage is provided while the described property is in transit, or being loaded or unloaded after transit, except when being hauled by common carrier.

Co-Insurance

The policy has an 80% co-insurance clause that applies to farm blanket losses. The insured will share in the loss to the extent that he is underinsured below 80% of the value of his personal property at the time of the loss. For this reason, many choose to insure up to 100% of value to be certain of adequate coverage at all times.

Perils Insured Against:

The following is a breakdown of the coverage that is provided for named perils:

Group 1 – Basic Perils

1. Fire or Lightning
2. Removal
3. Windstorm and Hail
4. Explosion
5. Riot and Civil Commotion
6. Aircraft
7. Vehicles
8. Vandalism and Malicious Mischief
9. Smoke

Group 2 – Broad Form Perils

1. Theft
2. Overturn
3. Accidental tearing apart
4. Accidental Discharge or Overflow
5. Freezing of a heating, plumbing or air conditioning system
6. Falling Objects
7. Weight of ice, snow, or sleet
8. Collapse
9. Breakage of Glass
10. Electrocution *
11. Attacks on livestock*
12. Accidental Shooting*
13. Drowning*
14. Collision **
15. Flood**

*** Applies to Farm Personal Property only.**

**** Applies to Farm Machinery only.**

The following perils are included when the rate for all risk on machinery is used:

Group 3 Perils (Applies to Farm Machinery only)

Other Risks of Direct Physical Loss that are not exclusions