

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FARM PROPERTY – EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
 FARM PROPERTY – BARN, OUTBUILDING AND OTHER FARM STRUCTURES COVERAGE FORM
 CAUSES OF LOSS FORM – FARM PROPERTY
 FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES,
 CONDITIONS, DEFINITIONS

- A.** In the Causes of Loss Form – Farm Property Covered Causes of Loss – Special and "specified causes of loss" are extended to include "breakdown" to "covered equipment" as defined and limited in this endorsement;
- B.** The following is added to Paragraph **A. Additional Coverages** in the FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS:

Equipment Breakdown Coverage Extensions

The following Equipment Breakdown Coverage Extensions apply to loss or damage caused by or resulting from a "breakdown" to "covered equipment".

1. Hazardous Substance

With regard to coverage provided under this Equipment Breakdown Coverage Extension, paragraph **A. Additional Coverages, 6. Pollutant Clean Up and Removal** of the FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS, is deleted and replaced with the following:

Hazardous Substance Expense

We will pay your expense to extract a "hazardous substance" from land or water at the "insured location" and the cost for clean-up, repair, replacement or disposal of Covered Property at the "insured location" if the discharge, dispersal, seepage, migration, release or escape of the "hazardous substance" is caused by or results from a "breakdown" to "covered equipment" that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within

180 days of the date in which the "breakdown" occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "hazardous substance". But we will pay for testing which is performed in the course of extracting the "hazardous substance" from the land or water.

The most we will pay under this Additional Coverage, for each location listed in the Declarations as an "insured location", is \$25,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for Hazardous Substance Expense, whichever is greater, for the sum of all covered expenses arising out of a "breakdown" to "covered equipment" occurring during each separate 12 month period of this policy.

The coverage provided by this Coverage Extension does not include loss to "perishable farm personal property" due to contamination from the release of a refrigerant.

2. Perishable Goods

We will pay for:

- a.** Loss of "perishable farm personal property" due to spoilage;
- b.** Your loss of "perishable farm personal property" due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a "breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following

services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage for such loss will begin 12 hours after the time the "breakdown" causes the interruption of the utility service; and

- c. Your loss of "perishable farm personal property" due to contamination from the release of a refrigerant, including but not limited to ammonia, caused by a "breakdown" to "covered equipment".

We will also pay any necessary expense you incur to reduce the amount of loss under this Coverage Extension. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

If you are unable to replace spoiled "perishable farm personal property" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable farm personal property" at the time of the "breakdown", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment Condition.

The most we will pay under this Coverage Extension is \$25,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for Perishable Goods, whichever is greater.

3. Expediting Expense

We will pay the reasonable extra cost incurred to make temporary repairs and expedite permanent repairs or replacement if a "breakdown" to "covered equipment" causes direct physical loss of or damage to Covered Property. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Coverage Extension is \$25,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for Expediting Expense, whichever is greater.

4. Utility Interruption – Disruption of Farming Operations

If Disruption of Farming Operations is provided elsewhere in this policy, it is extended to apply to loss caused by or resulting from a

"breakdown" to "covered equipment" that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following utility services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam, when such "breakdown" to "covered equipment" causes an interruption of any such service.

Coverage for Utility Interruption will begin 12 hours after the time the "breakdown" causes the interruption of the utility service.

5. Consequential Loss to "Livestock" and "Poultry"

We will pay the fair market value for death or destruction of "livestock" and "poultry" while at the "insured location" caused by, resulting from, or made necessary by a "breakdown" to "covered equipment". "Livestock" and "poultry" while in public stockyards, sales barns, sales yards, packing plants or slaughterhouses are not covered under this Coverage Extension.

The most we will pay under this Coverage Extension is \$10,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for Consequential Loss to "Livestock" and "Poultry", whichever is greater, subject to a maximum of \$1,000 per animal.

6. "Data" or "Media"

If "media" is damaged or "data" is lost or corrupted as a direct result of a "breakdown" to "covered equipment", we will pay the actual cost to:

- a. Research, replace or restore the damaged "media" or lost or corrupted "data"; or
- b. Reprogram instructions used in any covered "computer equipment".

We will pay for loss to damaged "data" or "media" as follows:

- a. Replacement cost for "data" or "media" that are mass produced and commercially available; and
- b. The cost you actually spend to reproduce the records on blank material for all other "data" or "media" including the cost of gathering or assembling information for such reproduction.

However, we will not pay for "data" or "media" that we determine cannot be replaced with "data" or "media" of like kind and quality or property of similar functional use.

The most we will pay under this Coverage Extension is \$25,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for "Data" or "Media", whichever is greater.

7. "Portable Covered Equipment"

We will pay for "portable covered equipment" if damaged as a direct result of a "breakdown", on or off the insured premises. With regard to this Coverage Extension, "portable covered equipment" is "covered equipment" that is:

- a. your Covered Property or property of others that you are legally liable for;
- b. operated by you or by someone you have designated to operate such equipment;
- c. equipment that is not in transit and is located at a fixed location;
- d. equipment that is in use or connected and ready for use; and
- e. equipment that is not mounted on a vehicle.

Equipment that is mounted on a trailer is considered "portable covered equipment", however there shall be no coverage for the trailer.

The most we will pay under this Coverage Extension is \$25,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for "Portable Covered Equipment", whichever is greater.

8. Drying Out

If electrical "covered equipment" requires drying out as a result of flood, waves, tides, tidal waves or overflow of any body of water or their spray, even if driven by wind, we will pay for the direct expense of drying out such electrical "covered equipment". The most we will pay for such expense under this Equipment Breakdown Coverage Extension is the lesser of:

- (1) \$10,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for Drying Out, whichever is greater;

- (2) the Actual Cash Value of such damaged electrical "covered equipment".

Coverage provided by this extension does not include the cost to replace such equipment or any other loss, damage or expense that is caused by or results directly or indirectly from flood, waves, tides, tidal waves or overflow of any body of water or their spray, even if driven by wind.

9. Irrigation Equipment

We will pay for irrigation equipment if damaged as a direct result of a "breakdown" on or off the insured premises. For the purposes of this Coverage Extension, irrigation equipment is "covered equipment" that performs the function of crop irrigation in your farming operations and is:

- a. your covered property;
- b. operated by you or by someone you have designated to operate such equipment;
- c. equipment that is not in transit and is located at a fixed location; and
- d. equipment that is in use or connected and ready for use.

The most we will pay under this Coverage Extension is \$25,000, or the Limit of Insurance shown on the Farm Property – Equipment Breakdown Schedule for Irrigation Equipment, whichever is greater.

C. Equipment Breakdown Causes of Loss:

With regard to the coverage provided by this endorsement:

1. The following paragraphs in the **CAUSES OF LOSS FORM – FARM PROPERTY** do not apply. All other provisions of this section, unless modified by this endorsement, apply:
 - a. Under Paragraph **D. Covered Causes of Loss – Special**:
 - (1) Paragraphs **h.(1)** and **(2)**;
 - (3) Paragraph **u.**; and
 - (4) Paragraph **w.(6)**.
2. Paragraph **D.3.** in the **CAUSES OF LOSS FORM – FARM PROPERTY** is deleted and replaced by the following. All other provisions of this section, unless modified by this endorsement, apply:
 3. We will not pay for loss caused by or resulting from the discharge, dispersal,

seepage, migration, release or escape of "pollutants". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

D. Equipment Breakdown Exclusions

With regard to the coverage provided by this endorsement, the following exclusion is added to paragraph **E. Exclusions** of the CAUSES OF LOSS FORM – FARM PROPERTY:

Equipment Breakdown

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. Such exclusions apply regardless of whether the loss event results in widespread damage or affects a substantial area.

- a. A "breakdown" to an alcohol still, boiler, fired vessel, electric steam generator or electrical or electronic "covered equipment" while undergoing a test which subjects such "covered equipment" to greater than maximum allowable operation conditions as identified by the manufacturer of such "covered equipment".
- b. Defects, erasures, errors, limitations or viruses in "computer equipment", "data", "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" results, we will pay the resulting loss or damage not otherwise excluded.
- c. Combustion explosion;
- d. Explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
- e. An explosion. However, we will pay for direct loss or damage caused by an explosion of "covered equipment" of a kind specified in (1) through (7) below, if not otherwise excluded:
 - (1) Alcohol stills;
 - (2) Steam boiler;
 - (3) Electric steam generator;

- (4) Steam piping;
- (5) Steam turbine;
- (6) Steam engine; or
- (7) Gas turbine or any other moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.

- f. With respect to Utility Interruption – Disruption of Farming Operations and Perishable Goods coverage, we will not pay for an interruption of utility service caused by or resulting from: lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; falling objects; water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping; water or other means used to extinguish a fire, even when the attempt is unsuccessful; weight of snow, ice or sleet; freezing due to cold weather; molten material; collapse; acts of sabotage; or deliberate act(s) of load shedding by the supplying or distributing utility.
- g. With respect to "portable covered equipment" or irrigation equipment: collision, overturn, collapse or upset of the "portable covered equipment" or irrigation equipment.

E. Conditions

With regard to the coverage provided under this endorsement, the following are added to paragraph **B. Farm Property Conditions – Loss Conditions** of the FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS:

- 1. **New Generation.** If "covered equipment" cannot be repaired or the cost to repair is more than the cost to replace, you may choose to apply the following provision:

If you want to replace damaged "covered equipment" with a new generation of "covered equipment" of the same capacity, we will pay up to 25% more than the "covered equipment" of like kind, quality and capacity would have cost at the time of the "breakdown".
- 2. If a loss covered under the FARM PROPERTY – EQUIPMENT BREAKDOWN COVERAGE is also covered elsewhere in this policy, the coverage provided by this FARM

PROPERTY – EQUIPMENT BREAKDOWN COVERAGE is excess over that amount covered elsewhere in the policy.

F. General Conditions

With regard to the coverage provided under this endorsement, the following are added to **B. Farm Property Conditions – General Conditions** section of the FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS:

1. Jurisdictional Inspections

- a. We agree to provide pressure vessel certificate-of-operation engineering services where:
 - (1) The certificate-of-operation is required by state, city or provincial law; and
 - (2) The state, city or provincial law permits inspections by insurance company employees.
- b. If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
 - (1) Any fine or other penalty that may be assessed; or
 - (2) Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- c. Certificate-of-operation engineering services will not be provided for any location other than in the United States of America, Puerto Rico or Canada.

2. Suspension

- a. Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.
- b. Once suspended in this way, your coverage can be reinstated only by an endorsement for that "covered equipment".

- c. If we suspend your coverage, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

G. Definitions

With regard to the coverage provided under this endorsement the following are added to Section **C. Definitions** of the FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS:

1. "Breakdown"

- a. "Breakdown" means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure, including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement.
- b. "Breakdown" does not mean or include:
 - (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
 - (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (3) Damage to any vacuum tube, gas tube or brush;
 - (4) Functioning of any safety or protective device;
 - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection; or
 - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- c. If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown".

2. "Computer equipment" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data;
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission; and
 - c. Electronic equipment used to operate production type machinery or equipment.
3. "Covered Equipment"
- a. "Covered equipment" means:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Communication equipment and "computer equipment";
 - (3) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
 - (4) Fiber optic cable.
 - b. "Covered equipment" does not mean or include any:
 - (1) Dragline, power shovel, excavation or construction equipment including any equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
 - (2) Equipment or any part of such equipment manufactured by you for sale;
 - (3) Equipment while in the due course of transit;
 - (4) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
 - (5) Insulating or refractory material;
 - (6) "Media";
 - (7) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
- (8) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (9) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (10) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing; or
 - (11) Tractors, combines, corn pickers, hay balers, harvesters, harvester-thresher combines, peanut diggers, potato diggers and pickers, cotton pickers, crop driers, wagons, trailers, implements and any other vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with such equipment.
4. "Data" means:
- a. Programmed and recorded material stored on "media"; and
 - b. Programming records used for electronic data processing or electronically controlled equipment.
5. "Hazardous substance" means any substance that has been declared to be hazardous to health by a governmental agency.
6. "Media" means electronic data processing, recording or storage media such as films, tapes, discs, drums or cells.
7. "Perishable farm personal property" means supplies and products of farming and ranching operations, including but not limited to meat, poultry and fish products, drugs, vitamins, plasma, blood, medicine, milk and produce, that are:
- a. Maintained under controlled temperature or humidity conditions for preservation; and
 - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

With respect to meat, poultry and fish products, "perishable farm personal property" excludes animals killed as a result of a Cause of Loss covered under this endorsement.

H. Limits of Insurance

The coverage provided by this endorsement is included in, not in addition to, the Limit of Insurance applicable to the damaged Covered Property.

I. Deductible

We will not pay for loss, damage or expense in any one "breakdown" until the amount of loss exceeds the Equipment Breakdown Coverage deductible shown in the Schedule for any loss,

damage or expense to covered property caused by a "breakdown" to "covered equipment".

1. With respect to the dollar deductible shown in the Schedule, we will first subtract the deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the deductible up to the applicable Limit of Insurance.
2. If two or more deductibles apply to a loss involving both a Cause of Loss covered in this endorsement and/or another cause of loss covered in this policy for a single occurrence, then the total amount to be deducted will be only the largest of the applicable deductibles.