

**A Guide
to the
TP1 (1-21)
Policy**

**Minnesota
Township and
Statewide Mutuals**



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Introduction

The TP1 policy is developed by MAFMIC for use by the Township Mutuals with the various statewide insurance carriers. It is the most commonly used farm policy in Minnesota.

This is a quick reference guide for you to use in explaining coverages and to familiarize yourself with the policy. This is a guide only and is not a substitute for the actual policy itself.

No warranty, expressed or implied, is made regarding the contents of this guide, and in all cases, you must apply the specific situation for each individual insured to the policy itself to determine whether or not coverages would apply. We hope you find this guide a useful tool, and we welcome your comments and suggestions for improvements.

Jacket

The jacket is used on all policies as a cover sheet for the policy. It identifies the names of the companies insuring under one policy. These companies are nonassessable.

The back page contains the company's annual meeting notice statements and a signature block for the company's secretary and president's signatures. These items make this policy a complete contract.

Declarations

The declarations may vary as to format and location of information, but it is the key to the entire policy. The declarations will indicate only those provisions and forms that are a part of the individual policy. Not all perils, endorsements and optional coverages in the policy provision section may be applicable to every policy. Only those that are indicated on the declarations as included perils, endorsements and optional coverages, etc. will be a part of that policy.

Table of Contents

Policy Page 1

There are thirteen sections to the contract. These are listed to help identify where to look for specific items in the policy.

Agreement

Policy Page 1

This is the general agreement to the contract of insurance. It outlines how the policy is compiled and who carries what responsibility in the contract. It is a legal binding contract between the company and the insured.

Policy Period

Policy Page 2

The policy covers only losses which occur during the policy period as stated on the declarations. The inception and expiration is at 12:01 a.m. standard time on the date stated.

Definitions

Policy Pages 2-4

This section contains definitions of words and phrases that have specific meaning as they pertain to insurance.

Principal Property Coverages

Policy Pages 4-8

Coverage A - Dwelling

Policy Page 4

This coverage applies to dwellings including additions, built-in components and fixtures.

Coverage C - Household Personal Property

Policy Page 4

This coverage is provided for personal property owned or in the care of the insured. Limited coverage is also provided, at the insured's option, for personal property of guests and domestic employees while on the insured premises.

Personal property located outside the insured Dwelling is covered for 20 percent of Coverage C.

The following limitations apply to certain property under the Coverage C - Household Personal Property.

Limitations for Coverage C

Policy Pages 5-6

1. \$200 on money, coins, medals, precious metals, virtual currency, etc.
2. \$2,000 on securities, valuable papers, etc.
3. \$2,000 on watercraft, their trailers and equipment.
4. \$7,500 on motorized vehicles to service premises.
5. \$1,000 on cemetery markers, etc.
6. \$2,000 on trailers not otherwise provided for.
7. \$2,000 on jewelry, watches, gems or furs. (Theft only)
8. \$2,000 on silverware, goldware, pewterware, etc. (Theft only)

9. \$2,000 on guns and accessories, including antique or collectible guns. (Theft only)
10. \$2,000 on antiques and collectibles.
11. \$2,000 on ice fishing houses and fixtures.
12. \$2,000 on horse tack, saddles, etc.
13. \$1,000 on electronic devices used in motorized vehicles and powered by the electrical system of the vehicle.
14. \$2,500 on business property - on premises coverage.
15. \$1,000 on business property away from premises.

See the form for a list of the property excluded from coverage under the Household Property Coverages.

Change of Location – Household Personal Property – full Coverage C limit for 30 days. After 30 days limited to 10% of Coverage C limit.

Coverage D - Increase in Living Cost and Loss of Rent

Policy Page 6

This coverage covers the increase in the normal cost of living due to a loss insured against in the policy when the dwelling is unfit for occupancy as a result of an insured loss. It includes coverage for loss of rents if part of the insured premises, rented to others, is damaged by an insured peril.

Coverage E - Scheduled Farm Personal Property Coverage

Policy Page 6

This coverage insures farm personal property owned and/or used by an insured in the farming operations. Items must be scheduled on the declarations.

Scheduled Property is covered on, or temporarily away, but within 250 miles of the insured premises. Coverage for livestock has no distance limitation.

Limitations for Coverage E

Policy Pages 6-7

1. \$2,500 maximum per head limit on livestock.
2. 10 percent limitation per item under "Miscellaneous Tools and Supplies".
3. Cash market value at time of loss for poultry.
4. Pro-rata distribution clause applies to certain property when two or more locations are covered.
5. 80 percent coinsurance clause applies to livestock.
6. Grain or hay is not covered if stored or being processed in public elevators, warehouses, seed houses, drying or manufacturing plants.

Exclusions for Coverage E

Policy Page 7

1. Devices, accessories or antennas designed for reproducing, receiving, transmitting, recording or playing back data, sound or picture are excluded unless permanently installed in an insured motor vehicle or watercraft. (GPS units, crop monitors, or autosteer systems are covered if in an insured machine or individually scheduled.)
2. Film, tape or other media for use in items listed in 1. above are excluded while in a motorized vehicle, farm equipment or watercraft.

3. Data or restoration of data that is produced by GPS units, crop monitors, autosteer systems or any items described in 1. and 2. above.
4. Money, coins, medals, precious metals, virtual currency, etc.

Coverage F - Unscheduled Farm Personal Property

Policy Page 7

This coverage insures farm personal property owned by an insured and used in the operation of the farm. This property is covered on, or temporarily away, but within 250 miles of the insured premises. Livestock has no distance limitation.

Limitations for Coverage F

Policy Page 7

1. \$2,500 maximum per head limit on livestock.
2. 80 percent coinsurance clause is applicable to all losses.
3. Grain or hay is not covered if stored or being processed in public elevators, warehouses, seed houses, drying or manufacturing plants.

Exclusions for Coverage F

See Policy Pages 7-8 for a list of items that are excluded from coverage under the Unscheduled Farm Personal Property Coverage.

Coverage G - Farm Barns, Buildings, Structures & Outbuildings

Policy Page 8

Each farm barn, building, structure and outbuilding must be scheduled on the declarations and be located on the insured premises to be insured. Sheds and fixtures or equipment attached to, installed in or connected for use within a building are insured as part of the building unless otherwise specifically insured. Dwellings, silos and grain legs

are not part of any structure to which they are attached. Building materials for repair or maintenance are also covered under the insured building's limit of insurance.

Limitations for Coverage G

Policy Page 8

1. A maximum amount of 50 percent of the coverage on silos, metal cribs and windmills may be applied to the roof of silos, metal cribs and the head portion of the windmill.
2. Portable buildings have an aggregate value limit based on all owned portable buildings at the time of loss.

Incidental Property Coverages

Policy Pages 8-10

These Incidental Property Coverages are subject to all terms of the Principal Property Coverages and do not increase the limit of insurance as stated for the Principal Property Coverages.

1. Emergency removal - household personal property and mobile homes. No deductible applies to this coverage.
2. Debris removal. (Does not increase limit on structure)
3. Fire department service charge - \$500 limit. No deductible applies to this coverage.
4. Credit card, forgery or counterfeit money - \$1,000. (Excluding business use)
5. Trees, plants, shrubs and lawns - 10 percent of Coverage C to a maximum of \$5,000.
\$500 limit per item - must be within 100 feet of dwelling.
A limited number of perils apply to this coverage.
6. Tenant's improvements and betterments - limited to 10 percent of Coverage C limit of insurance.
7. Condominium unit-owner additions - 10 percent of Coverage C limit of insurance.
8. Loss assessment - \$1,000 for losses assessed to the insured by a property owner's association.

9. Outdoor antenna coverage - \$250 - must insure either Coverage A or C for antenna coverage.
10. Unharvested grain – Unless grain is excluded, up to \$10,000. (Loss by fire or vehicles only)
11. Newly acquired machinery and equipment - \$10,000 additional limit for thirty (30) days.
12. Newly constructed dwellings, farm barns, buildings, structures and outbuildings - coverage for up to 10 percent of the limit of insurance on all insured buildings on the premises for up to sixty (60) days.
13. Poultry - \$500 maximum limit applying to Coverage F.

Perils We Insure Against

Policy Pages 9-15

This is a named perils policy. There is no coverage for loss or damage to property from causes other than those perils specifically listed and for which a limit of insurance has been stated on the declarations.

Not all perils listed may apply to each policy.

Each covered item is insured only for the perils indicated on the declarations in the Perils Insured Against section of the policy.

Limited Perils

Policy Page 10

1. Fire or lightning.
2. Windstorm or hail.
3. Explosion.
4. Riot or civil commotion.
5. Aircraft.
6. Vehicles.
7. Sudden and accidental damage from smoke.

Basic Perils Policy Page 11

All perils of the Limited Perils section are included, plus the following:

8. Vandalism or malicious mischief.
9. Theft. (Most limited form with proof and evidence needed)
10. Glass breakage. (Applies to dwelling only)
11. Sinkhole collapse. (Statewide Company)
12. Volcanic action. (Statewide Company)

Broad Perils Policy Pages 12-13

All perils of the Limited and Basic Perils section are included, plus the following:

Perils 13 - 19 apply to dwellings, personal property and increase in living cost only.

(None of these perils apply to Coverage G - Farm Barns, Buildings, Structures and Outbuildings.)

13. Falling objects.
14. Weight of ice, snow or sleet.
15. Collapse of a dwelling.
16. Sudden and accidental tearing apart, burning or bulging.
17. Sudden and accidental discharge or overflow of liquids or steam.
18. Freezing of a plumbing, heating or air-conditioning system or domestic appliance.
19. Sudden and accidental damage from artificially generated electrical currents.

Perils 20 and 21 apply to farm personal property only.

(None of these perils apply to Coverage G - Farm Barns, Buildings, Structures and Outbuildings.)

20. Collision and/or overturn. (Most restrictive with 5 exclusions)
21. Additional perils applying to livestock;
 - a. sudden and accidental electrocution;
 - b. accidental shooting;
 - c. drowning; (30 days of age or older)
 - d. collapse of a building or structure; and
 - e. attack by dogs or wild animals.

Special Form Policy Pages 13-15

This form provides extended coverage for risk of direct physical loss except losses specifically excluded.

This form adds to the perils of the "Limited-Basic-Broad" forms.

The following items are **not** covered by this Special Form:

1. Submersible pumps and sump pumps.
2. Fertilizer, spray, farm chemicals, veterinary supplies, drugs or medicines, fuel oil or grease.
3. Motor vehicles, recreational vehicles, campers, toppers, watercraft, aircraft and their equipment, tires, tubes, tracks and parts.
4. Alcohol producing equipment.
5. Portable buildings.
6. Irrigation equipment, threshing machines and sawmill equipment.
7. Farm operations records expense.
8. Solar energy collectors and devices.
9. Cloth or plastic tarps, silage bags or temporary roofs.
10. Livestock, poultry, crops and produce in stacks, shocks or swaths.

Limitations on Certain Property

Policy Page 13

1. \$2,000 for loss by theft, misplacing or losing of jewelry, watches, precious or semi-precious stones, gems or furs.
2. \$2,000 for loss by theft, misplacing or losing of silver, goldware, pewterware, etc.
3. \$2,000 for loss by theft, misplacing or losing of guns and accessories, including antique and collectable guns.

Exclusions that apply to Special Form

Policy Pages 14-15

1. All property covered under this form.
 - a. Birds, vermin (rodents included in the definition of vermin), insects or domestic animals.
 - b. Conversion, embezzlement and infidelity.
 - c. Extremes of temperature or dampness in the air.
 - d. Freezing, thawing, pressure or weight of ice or water.
 - e. Seepage or leakage - except accidental discharge of liquid or steam to plumbing, heating or air-conditioning system or automatic fire protection sprinkler system located in Farm Barns, Buildings, Structures and Outbuildings.
 - f. Settling, cracking, shrinking, bulging or expanding.
 - g. Breakage of eyeglasses, art glass windows, glassware, statuary and similar fragile items.
 - h. Refinishing, renovating or repairing of property.
 - i. Collision, sinking, swamping or stranding of watercraft.

The following perils are **not covered or** expanded by this Special Form:

Windstorm or Hail, Smoke, Theft, Collision, Vandalism or Malicious Mischief, Vehicles, Volcanic Action, Sinkhole Collapse, Explosion or Glass Breakage.

2. Dwelling or household personal property.
The following perils are **not covered or** expanded by this form:
Freezing and accidental discharge or overflow of liquids or steam.
3. Scheduled or unscheduled farm personal property.
 - a. Mechanical and electrical breakdown.
 - b. Repairing, adjusting, servicing or maintenance.
 - c. Tires, tubes and tracks.
 - d. Weight of a load.
 - e. Escape, mysterious or unexplained disappearance.
4. Farm barns, buildings, structures and outbuildings.
 - a. Dust, rain, sleet, snow or water.
 - b. Freezing and sudden and accidental discharge or overflow of liquid or steam to buildings, if vacant or unoccupied, unless heat is maintained in the buildings, or the water supply has been shut off and units are emptied.

General Exclusions

(Applies to all Coverages)

Policy Pages 15-16

1. Business interruption.
2. Civil authority.
3. Concurrent causation.
4. Contest.
5. Earth movement of any kind.
6. Fungus, bacteria, wet rot, dry rot.
7. Neglect.
8. Nuclear hazard.
9. Ordinance or law.
10. Pollutants, cleanup or removal of pollutants.
11. Power interruption. (Away from the premises)
12. Warranty or guarantee.
13. War and military action.
14. Water damage.
15. Wear and tear.
16. Chemical or biological.

17. Land or water.
18. Transit.
19. Weight of a load.
20. By-Products.
21. Virus or Bacteria.

Property Not Covered

(Unless specifically insured or covered under the "Incidental Property Coverages")

Policy Pages 16-17

1. Electrical service equipment, telephone equipment, transmission wires and their supports outside of buildings.
2. Radio and television antennas, towers, satellite dishes and their accessories.
3. Windmills, windchargers and their towers.
4. Fences and gates.
5. Solar energy collectors or devices, unless a structural part of an insured building.
6. Property used for the refining or producing of energy and/or fuel.

How Much We Pay for Loss or Claim

Policy Page 17

1. Losses are settled on an actual cash value basis unless replacement cost coverage is applicable.
2. The lower of: the limit stated; the amount not greater than the insured's interest in the property; the cost to repair or replace with like kind and quality; the amount after applying deductible or limitation; the ACV; the market value of property at the time of loss covered under Coverage E or Coverage F; or the agreed amount for loss by hail to metal exterior surfaces.
3. The policy deductible applies to each occurrence.
4. There is a pair and set clause applicable to certain property.
5. If more than one coverage of this policy applies to an item, the loss is settled for no more than the actual claim, loss or damage sustained.

6. This policy is excess coverage and no payment of loss is applicable until all other insurance is exhausted.
7. Any payment made under this policy will decrease future losses until damage is repaired.
8. There is no allowance made for loss of appearance by failure to match.
9. Pre-judgement interest will not be paid to an insured.
10. Payment for items preserved by taxidermy is limited to the actual cost of preservation.
11. Payment for any loss does not include overhead and profits unless the insured pays another person or organization to repair or replace the property.

Duties After a Loss

Policy Pages 18-19

Notice

1. Insured must cooperate by:
 - a. giving notice of loss;
 - b. notifying law enforcement; and
 - c. notifying the credit card, debit card and electronic funds transfer card company.
2. The notice must state:
 - a. insured's name, policy number, time, place and circumstance of loss; and
 - b. names and addresses of all claimants and known witnesses.

Cooperation

The insured must cooperate in relation to any reasonable request so that all required provisions in the policy may be followed and performed.

Additional Duties

1. The insured's responsibility is to:
 - a. take all precautions to protect the property;
 - b. submit a proof of loss within sixty (60) days containing all the company requested information; and
 - c. provide a veterinary report on livestock losses.

2. At the company's request, the insured must also:
 - a. submit to examination under oath that may be recorded by audio and/or video;
 - b. exhibit the property;
 - c. produce required records;
 - d. assist in the right to recovery;
 - e. produce records to support the loss; and
 - f. submit proof of credit card, debit card and electronic fund transfer card claims.

Volunteer Payments

The insured must not make payments, pay or offer rewards or assume obligations or other costs except at the insured's own expense.

Payment of Loss or Claim

Policy Page 19

Insured's Property

All losses will be adjusted with the insured and payment of loss will be made within five (5) business days of an approved proof of loss.

Increase in Living Expense

Actual covered expenses will be paid on a monthly basis.

Personal Property of Others

At the company's option, the loss may be adjusted and/or paid to either the insured or the property owner.

Company Option

1. Pay the loss in money.
2. Rebuild, repair or replace with like kind and quality to the extent practical.
3. Take all or part of the damaged items at the agreed value.

Policy Conditions

Policy Pages 19-21

Assignment

All assignments must be approved by the company in writing.

Cancellation

The insured may cancel the policy at any time, and the company may cancel for nonpayment or any other cause with proper notice.

Two or More Named Insureds

Any named insured has authority to act for all to cancel, change, or settle a loss under this policy.

Change/Modification or Waiver of Policy Terms

All changes to the policy must be approved by the Company in writing.

Misrepresentation, Concealment or Fraud

The policy is void if the insured has willfully and with intent to defraud, concealed or misrepresented any material facts either before or after a loss.

Intentional Loss

The policy is void as to all insureds if a loss was caused intentionally by any insured.

Vacancy

No loss is payable if the premises are vacant beyond thirty (30) days.

Increase of Hazard

If a hazard is increased within the control or knowledge of the insured, no loss will be paid.

Inspection

The company may inspect the insured's property or operations but is not obligated to do so.

Policy Premium

Premiums are due and payable as per installment provisions as outlined on the declarations and at the rate then in effect.

Recoveries

If any recoveries of a loss are made by the company or the insured, the expenses relating to the recovery are first deducted and then the balance divided pro-rata as to participation in the loss. This may be due to a deductible and/or other special limits to the original loss settlement.

Subrogation

If payment is made by the company, the insured must assign his/her right of recovery to the company for the amount of said loss payment.

Suit Against Us and/or Appraisal

1. All policy terms must have been complied with.
2. Suit must be filed or appraisal commenced within one (1) year for a Township Mutual; two (2) years for a Statewide Company.

Bankruptcy

The company is not relieved of its obligation to pay for a covered loss, should the insured file bankruptcy.

Abandonment of Property

The company may take, but is not required to take, the property following a loss.

Appraisal

If an agreement cannot be attained on the value of a loss, the appraisal procedures are available for use in settling the dispute.

No Benefit to Bailee

Insurance shall not benefit any hired carrier or other bailee.

Mortgage Clause

Policy terms and conditions apply to the benefit of a mortgagee named on the policy.

Liberalization Clause

If revisions for broader coverage are adopted by the company without change of premium, that coverage applies to all policies then in force.

Conformity to Statutes

If the policy provisions and state law conflict, state law will apply.

Minnesota Amendatory Endorsement

This form changes the policy provisions to amend this policy to the Statewide Company requirements where different from the Township Mutual requirements as they pertain to state law.

The following is a list of Optional Coverages that may be added to the policy by indicating the optional coverage on the declarations.

Check with your Township Mutual and/or Statewide Mutual to determine which Optional Coverages are available for use with them.

Optional Coverage J**Replacement Cost Coverage**

(Applies **only** to Coverage A or G)

Policy Pages 21-22

This coverage is applicable to dwellings, farm barns, buildings, structures and outbuildings.

Property not covered for replacement cost:

1. Domestic appliances.
2. Detachable building items such as awnings, and window air-conditioners.
3. Outdoor structures which are not permanent components or fixtures.
4. Outdoor antennas, satellite dishes, wiring accessories and towers.
5. Solid fuel outdoor heating units and attachments.
6. Ventilating curtains made of any flexible or collapsible material.

The 80 percent coinsurance applies to a total or partial loss.

Agreed amount is paid for damage by hail to metal exterior surfaces until repaired or replaced.

If the cost of repair or replacement exceeds the lesser of \$2,500 or 5 percent of the limit of insurance, the actual cash value is paid until repairs or replacement is made.

Claims may be made for the actual cash value of loss before repairs are made. A claim for the additional amount payable may be made within 180 days after the loss.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage K
Replacement Cost Endorsement
(Applies **only** to Coverage C)
Policy Pages 22-23

This coverage applies only to Household Personal Property, Coverage C.

Property **not** covered for replacement cost:

1. Business property.
2. Property not owned by insured.
3. Film, tapes, cassettes, records or similar property.
4. Furs, jewelry, paintings, etchings, pictures, antiques and items of art or rarity that cannot be duplicated.
5. Property covered by any scheduled insurance.
6. Articles not maintained or articles that are outdated or obsolete and are stored or not being used.
7. Collector's items whose history contributes to their value.

The limit of insurance is the lesser of the following:

1. Applicable limit of insurance.
2. No more than four times the actual cash value.
3. No more than the insured's interest in the property.
4. The replacement cost as defined in TP1.
5. The amount after the deductible or limitations are applied.

The actual cash value is payable until repair or replacement is completed.

A claim may be made for the actual cash value of loss before repairs are made. A claim for the additional amount payable may be made within 180 days after the loss.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage P
Collapse - Due to Weight of Ice, Snow or Sleet
(Applies **only** to Coverage E, F or G)
Policy Page 23

This coverage applies only to buildings designated on the declarations as having this form applicable. Property insured under Coverage E and Coverage F and located in such buildings is also covered.

This coverage is provided by the Statewide Company. Loss to livestock from this optional coverage is provided by the Township Mutual.

Optional Coverage Q
Added Perils for Refrigerated Food Products
(Applies **only** to Coverage C)
Policy Page 23

Coverage C – Household Personal Property is extended to cover the food products of a freezer or refrigerator on the insured premises for up to a limit of \$250.

Damage must be caused by change in temperature resulting from:

1. interruption of electrical service by damage to generating or transmission equipment; or
2. mechanical or electrical breakdown.

If limit is increased, the total limit must be stated on the declarations. A separate deductible may apply to this coverage.

This coverage is provided by the Township Mutual.

Optional Coverage R

Cab Glass

(Applies **only** to Coverage E or F)

Policy Page 24

This form covers the breakage of glass to the cab of mobile farm equipment insured under either scheduled or unscheduled farm personal property.

A separate deductible may apply to this optional coverage.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage S

Peak Season Inventory

Farm Personal Property

(Applies **only** to Coverage E or F)

Policy Page 24

This coverage increases the limit of insurance on either scheduled or unscheduled farm personal property by the amount and for the time period indicated on the declarations.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage T

Farm Extra Expense

(Applies **only** to Coverage E, F or G)

Policy Page 24

This coverage insures the extra or additional expense incurred to continue normal farm operations. This must be caused by a peril insured against to either farm personal property or farm barns, buildings, structures and outbuildings.

This coverage applies only for the time needed to repair, rebuild or replace the damaged property.

A separate deductible may apply to this coverage.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage U

Recreational Equipment

Policy Page 24

This coverage insures recreational equipment as listed on the declarations for the amount indicated and only on the insured premises or temporarily off.

The following perils apply to this form:

1. Fire or lightning.
2. Windstorm or hail.
3. Vandalism or malicious mischief.
4. Theft. (Proof and physical evidence is needed)

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage V

Restriction of Individual Policies

This form is used when there is a restriction to the policy.

This form is perpetual to all current and subsequent policies until it is revoked by the company in writing. This form must be signed by the insured, company and agent.

Optional Coverage W

Deferred Loss Payment

The terms of the endorsement become effective sixty (60) days after the property becomes vacant, unoccupied or abandoned.

Any loss over 50 percent of the amount of insurance coverage is withheld until the property is repaired or replaced under the terms of the endorsement as to usage, the 500 foot location and time restriction.

This form is perpetual to current and subsequent policies until revoked in writing by the company. This form must be signed by the insured and agent.

Optional Coverage X

Deferred Loss Payment

This endorsement is added to the policy and is effective at the inception date of the policy or endorsement. Any loss over 50 percent of the amount of insurance coverage is withheld until the property is repaired or replaced under the terms of the endorsement as to usage, the 500 foot location and time restriction.

This form is perpetual to current and subsequent policies until revoked in writing by the company. This form must be signed by the insured and agent.

Optional Coverage Y

Modified Replacement Cost Provision

Expanded Coverage Dwelling

(Applies **only** to Coverage A)

This form amends the terms of "How Much We Pay for Loss or Claim" in the General Policy Provisions to furnish the expanded replacement cost coverage on the residence (max - 125 percent of the amount insured).

There are certain provisions and requirements that must be met in regard to the limit of insurance, inflation guard and notification of improvements to the property.

Payment of loss is limited to the actual cash value amount of the loss until the damaged dwelling is repaired or replaced. The balance of the replacement cost may then be applied for within 180 days after the loss, subject to the limit of insurance provisions.

Optional Coverage Z

Coverage Adjustment Endorsement

Policy Page 26

This form is used to increase the limit of insurance on a percentage basis for the property specifically indicated on the declarations as having this coverage. This is done on an annual basis at the anniversary date of the policy.

Optional Coverage AM

Amended Failure to Match

(Applies **only** to Coverage A)

Policy Page 28

This coverage is only available for standard and preferred type dwellings. This coverage allows for loss of appearance caused by failure to match only when damaged property cannot be replaced with materials of like kind and quality where a reasonable match in terms of size, color, quality, texture or type can be obtained. No loss paid if the failure to match is attributed to natural weathering of existing materials.

Refer to each Company's Underwriting Guidelines for acceptability.

Optional Coverage 7A

Collapse - Weight of Ice, Snow or Sleet

(Applies **only** to Coverage E or F)

This coverage insures against damage to farm personal property caused by collapse of a building or structure from the weight of ice, snow or sleet.

This coverage is provided by the Township Mutual.

Optional Coverage 7B

Non-Depreciation of Repairs

(Applies **only** to Coverage E or F)

Policy Page 26

This coverage changes the amount payable under "How Much We Pay for Loss or Claim" to repair property without deduction for depreciation. Payment is still limited to the actual cash value of the item or items damaged.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 7C

Amended Vandalism or Malicious Mischief and Theft Expanded Coverage

This coverage replaces the vandalism or malicious mischief and theft perils in the basic policy. This removes the restriction for vandalism or malicious mischief and theft caused by a tenant of the insured premises or by a person having care, custody or control of the insured property or premises. Also broadens the theft peril by removing the clear and convincing proof, and physical evidence wording.

This coverage is provided by the Township Mutual.

Optional Coverage 7D

Amended Vandalism and Malicious Mischief Expanded Coverage

This coverage expands the vandalism or malicious mischief provided in the basic perils by removing the limitation for loss caused by a tenant.

This coverage is provided by the Township Mutual.

Optional Coverage 7H

Earthquake

(Applies **only** to Coverage A or C)

This coverage insures direct physical loss caused by earthquake to property covered under Coverage A – Dwelling or Coverage C – Household Personal Property.

The deductible is changed to 2 percent of the limit of insurance. This deductible applies separately to losses under Coverage A and C. The deductible shall in no event be less than \$250 separately for Coverage A and Coverage C.

Exterior masonry veneers are excluded from coverage.

This coverage is provided by the Township Mutual.

Optional Coverage 7J

Theft Coverage Extension

Construction Materials and Supplies

(Applies **only** to Coverage A or G)

This coverage allows construction materials and supplies to be covered for the peril of theft for either 90 or 180 days.

This coverage is provided by the Township Mutual.

Optional Coverage 7N

Loss of Income

(Applies **only** to Coverage G)

This coverage insures the loss of net income for the insured's **livestock or poultry** farming operation for a limit indicated on the declarations.

The interruption must be caused by an insured building being damaged or destroyed by a peril insured under the policy.

Maximum recovery is 25 percent per month.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 7P

Leased, Rented or Borrowed Farm Machinery, Vehicles and Equipment of Others

(Applies **only** to Coverage E)

This coverage allows the leased, rented or borrowed farm machinery to be listed and covered for the same perils as other farm personal property.

A limit of coverage for these items must be shown on the policy declarations.

This form excludes coverage for motor vehicles, recreational motor vehicles, watercraft, aircraft, their equipment, tires and parts, dealer's demonstration machinery, vehicles and equipment, campers, camper bodies, pickup toppers and camper trailers.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 7Q

Collapse - Weight of Ice, Snow or Sleet

(Applies **only** to Coverage G)

This coverage insures for loss by weight of ice, snow or sleet to buildings insured under Coverage G and shown as having this coverage available.

This coverage is provided by the Township Mutual.

Optional Coverage 7R

Loss of Use or Income Endorsement

(Applies **only** to Coverage G)

This coverage insures the loss of net income or use to the farming operation for a stated amount per building.

The interruption must be the result of loss or damage to a building insured under the policy, if owned by the insured, and the damage must be from a peril insured against.

The maximum amount recoverable for each thirty (30) days is 25 percent of the amount stated for this coverage for the damaged or destroyed building as listed on the declarations.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 7S

Amended Theft

(Expanded Coverage)

Policy Page 29

This coverage expands the theft peril under the basic perils in the policy. This includes attempted theft and loss of property from a known place when it is likely that theft occurred.

The theft peril is broadened by removing the known time where there is clear and convincing proof, including physical evidence wording. It also removes the grain exclusion.

This coverage does not exclude theft by a tenant of the insured premises or by a person having care, custody or control of the insured property or premises.

The rest of the exclusions are the same as in the basic theft peril listed in the policy.

This coverage is provided by the Township Mutual.

Optional Coverage 7U

Backup of Sewers, Drains or Sump Systems

This is not flood insurance.

(Applies **only** to Coverage A or C)

Policy Page 25

This coverage insures damage caused by the backup of water through sewers or drains or water entering or overflowing from within a sump, sump pump well or other system used to remove sub-surface water from the foundation area.

The policy deductible, in no event less than \$250, applies. The limit of insurance shall not exceed \$1,000 in any one occurrence unless a different amount is shown on the Declaration page. There is also no coverage within the first fifteen (15) days of the inception of or an increase to this coverage.

This coverage is provided by the Township Mutual.

Optional Coverage 7W

Expanded Collision and/or Overturn - Plus

(Applies **only** to Coverage E or F)

Policy Page 27

This coverage expands the collision peril under the broad perils in the policy.

Collision of farm machinery in motion with another object is covered regardless of whether the object is extending above the surface of the ground.

Coverage is provided for contact between farm machinery or vehicles and an implement being towed, hitched or unhitched.

The following are excluded:

1. Loss to tires, tubes and tracks unless there is other damage caused by collision.
2. Loss to any object with which a machine collides, with the exception of other covered farm personal property.
3. Any damage to the mechanical interior of the machine caused by ingestion of rocks, stumps or any other object.
4. Any damage to covered farm personal property caused by collapse including collapse from weight of ice, snow or sleet, of a building or structure.

This coverage is provided by the Township Mutual.

Optional Coverage 7X

Expanded Vehicle Damage

Policy Page 31

This coverage expands the vehicle peril under the limited perils in the policy to include vehicle damage to scheduled or unscheduled farm personal property, and farm barns, buildings, structures and outbuildings.

This coverage is provided by the Township Mutual.

Optional Coverage 7Y

Expanded Collision and/or Overturn

(Applies **only** to Coverage E or F)

Policy Pages 27-28

This coverage expands the collision peril under the broad perils in the policy.

Collision of farm machinery while in motion with another object is covered regardless of whether the object is extended above the surface of the ground.

Coverage is provided for contact between farm machinery or vehicles and an implement being towed, hitched or unhitched.

The following are excluded:

1. Loss to tires, tubes and tracks unless there is other damage caused by collision.
2. Loss to any object with which a machine collides, with the exception of other covered farm personal property.
3. Any damage to the mechanical interior of the machine caused by ingestion of rocks, stumps or any other object.
4. Any damage to covered farm personal property caused by collapse including collapse from weight of ice, snow or sleet, of a building or structure.
5. Collision of a vehicle with another object below the surface of the ground.

This coverage is provided by the Township Mutual.

Optional Coverage 7Z

Expanded Collision and/or Overturn - Plus

(Applies **only** to Coverage E or F)

Policy Page 28

This coverage expands the collision peril under the broad perils in the policy.

Collision of farm machinery with another object is covered regardless of whether the farm machinery is in motion or not. It also covers collision with the surface of the ground or under the ground.

Coverage is provided for contact between farm machinery or vehicles and an implement being towed, hitched or unhitched.

Coverage is provided for loss to any object with which a machine collides.

The following are excluded:

1. Loss to tires, tubes and tracks unless there is other damage caused by collision.
2. Any damage to the mechanical interior of the machine caused by ingestion of rocks, stumps or any other object.
3. Any damage to covered farm personal property caused by collapse including collapse from weight of ice, snow or sleet, of a building or structure.

This coverage is provided by the Township Mutual.

Optional Coverage 7AI

Additional Insured

This coverage is used to add a person, organization or trust as an additional insured for property coverages. It is used for organizations that request a lenders loss payable clause, loss payee and additional insured clause and/or adding trusts and trustees.

Optional Coverage 6J

Modified Replacement Cost Coverage for

Dwellings

(Applies **only** to Coverage A)

Policy Pages 25-26

This coverage allows dwelling insured values to 70 percent, 60 percent or 50 percent of its total replacement cost and still retain replacement cost coverage up to the limit stated in the declarations for that dwelling.

Optional Coverage 6K

Blizzard Death Coverage – Livestock

(Applies **only** to Coverage E or F)

Policy Page 29

This coverage adds the perils for death of livestock by freezing or smothering during blizzards or snowstorms.

There is **no** coverage for:

1. Livestock while in buildings unless wind first causes damage by creating an opening in the walls, windows or roof of the building.
2. Death caused by freezing or smothering in or under a hay or straw stack.

This coverage is provided by the Statewide Company.

Optional Coverage 6P

Livestock Confinement Coverage

(Applies **only** to Coverage E or F)

Policy Pages 30-31

This coverage extends to livestock while confined in buildings for "Risk of Direct Physical Loss" except for the following:

1. All exclusions in the General Exclusions of the General Policy provisions, **except** for power interruption.
2. Losses which occur more than 24 hours after an occurrence.
3. Losses caused by disease or infection, etc.
4. Losses caused by or contributed to by ingestion of feed, grain, objects, concentrate, chemicals, pollutants, contaminants, fluids or fodder.
5. Losses caused by or contributed to by inoculation or treatment by any person.
6. Losses caused by or contributed to by birth, or the rigors of birth, or by being still born.
7. Losses caused by or ordered by any civil authority.
8. Losses caused by insured, members of insured's household or any employee of an insured.
9. If the loss is insured by another policy, whether collectible or not.
10. Loss caused by failing to maintain the power outage system or standby generator which is present at the time this form is effective.

There is a \$1,000 per occurrence deductible that applies to this form.

This form does not increase the limit of insurance under the policy.

This coverage is provided by the Statewide Company.

Optional Coverage 6R

Scheduled Cab Glass

(Applies **only** to Coverage E or F)

Policy Page 31

This coverage insures individual cabs on mobile farm equipment for breakage of cab glass.

The specific machine must be listed and an amount of coverage must be stated on the declarations. A separate deductible may apply to this coverage.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 6S

Debris Removal

(Applies **only** to Coverage A, C, E, F or G)

Policy Page 27

This coverage replaces the debris removal in the Incidental Property section of the policy.

This extended coverage becomes applicable when a loss, plus the cost of debris removal, exceeds the limit of insurance coverage for that item.

This form allows payment for the actual cost of debris removal which shall be the lesser of:

1. an additional 5 percent of the amount paid on the loss; or
2. \$2,000.

Any specific amount stated on the declarations for debris removal shall replace the \$2,000.

This does not cover the cost to extract pollutants from land or water or the cost to remove, restore or replace polluted land or water.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 6T

Loss of Income or Rent

(Applies **only** to Coverage E, F or G)

This coverage insures loss of net income or rent caused by damage to or destruction of a covered building or item caused by an insured peril.

Loss by ordinance or law, interference by strikers and cancellation of any lease, license or contract are excluded.

This coverage is provided by the Township Mutual and the Statewide Company.

Optional Coverage 6TR

Temporary Replacement of Mobile Farm Machinery and Equipment

(Applies **only** to Coverage E or F)

This coverage insures mobile farm machinery and equipment that temporarily replaces owned, rented or leased machinery and equipment while out of service for repair or warranty work. The replacement item is covered for the same terms and perils as the item being temporarily replaced.

The limit that applies is the smallest of the limit or actual cash value of the item temporarily replaced OR the actual cash value of the replacement item.

Optional Coverage 6W

Deferred Loss Payment

This coverage is identical to Optional Coverage W, however, the 500 foot restriction is deleted from Form 6W.

Optional Coverage 6X

Deferred Loss Payment

This coverage is identical to Optional Coverage X, however, the 500 foot restriction is deleted from Form 6X.

Terrorism Form 8TL

Terrorism Coverage Form

This form covers loss caused by Certified and Non-Certified Acts of Terrorism as defined. It also outlines when and how the United States Government participates in these type of losses.

Terrorism Form PDN 8TL

Notice to Policyholders

This form is a required disclosure and notifies the policyholders of other provisions relating to Terrorism coverage. This form also indicates any premium charged for this coverage and is required to be sent to each Policyholder annually.

Flood Disclosure PDN 8FL

Disclosure of Non-coverage - Flood

This form informs the Policyholder that their policy does **not** include loss caused by flood and is required to be sent to each Policyholder annually.

Additional Optional Coverages

Additional optional coverages may be endorsed to a policy from time to time as the need for additional coverages become necessary.

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