

Oklahoma Farm Bureau Mutual Insurance Company

Premier Farm and Ranch

REGAL COVERAGE POLICY



Premier Farm and Ranch - Regal Coverage

Oklahoma Farm Bureau Mutual Insurance Company

2501 N. Stiles Oklahoma City, OK 73105

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General Section - Premier Farm and Ranch

This policy contains all of the coverages **you** selected in one package. It is tailored to meet **your** needs as they were represented to **us** on **your** application.

This section includes:

Insuring Agreement, Organization of **Your** Policy, Policy Sections, Declarations, Endorsements, Definitions, When a Loss Occurs, **Your** Responsibilities, Conditions, Mutual Conditions and Acceptance of Policy.

Insuring Agreement

We agree with **you**, in return for **your** prepaid premium payment, to provide insurance subject to all the terms of this policy. The coverages provided, the limits of **our** liability and the premiums are shown on the Declarations page of this policy.

Organization Of Your Policy

This policy is organized into sections for each part of the policy **you** chose. The Declarations page tells **you** what coverage **you** have at any particular time.

Policy Sections

General Section

This section contains general information about **your** policy. It includes provisions which apply to the entire policy, including any endorsements. Provisions in the **General Section** apply to all the sections and parts included in this policy. Additional provisions that are specific to only certain coverages are located in the sections and coverage parts to which they apply.

Property Section

This section contains the provisions which insure **your** home, farm property and/or personal property.

Farm Property Section

This section describes the optional property coverages provided for **your farming** operations which take place on the **insured premises**.

Coverage Part

The Coverage Part **you** selected includes the provisions which show the property coverage **you** chose, as shown on the Declarations page.

Personal Liability Section

This section contains the liability and medical coverage parts to protect **you** from the potential liability exposures created by the occupancy or use of **your** insured property and **your** personal activities.

Farm Liability Section

This section describes the optional liability coverages provided for **your farming** operations which take place on the **insured premises**.

Declarations

The Declarations page at the beginning of **your** policy is part of **your** insurance contract. It lists or declares the property and liability exposures **we** agreed to insure. The Declarations page provides specific information about each coverage including deductibles, covered perils, and the amounts of coverage provided for each exposure.

Endorsements

The Declarations page may also list one or more endorsements or amendments which expand or reduce **your** coverage. The endorsements allow **us** to tailor **your** policy more closely to **your** specific needs.

Deductible

1. For each **occurrence**, one deductible amount, as shown on the Declarations Page, will be deducted from the amount paid for the loss. The Loss by Windstorm/Hail deductible amount shown on the Declarations Page will be deducted from the amount paid for loss caused by windstorm or hail, and the All Other Property Losses deductible amount shown on the Declarations Page will be deducted from the amount paid for loss caused by anything other than windstorm or hail.
2. For loss caused by windstorm or hail, which includes **property damage** covered under **Scheduled Farm Personal Property - Coverage E1, Unscheduled Farm Personal Property - Coverage E2, or Farm Building and Structures - Coverage F**, but does not include **property damage** covered under **Dwelling - Coverage A**, the amount of the deductible will not exceed the All Other Property Losses deductible amount shown on the Declarations Page. However, the Losses By Windstorm/Hail deductible shown on the Declarations Page will be applied if the **Dwelling - Coverage A** limit shown on the Declarations Page is less than:
 - a. The coverage limit shown on the Declarations Page for any item of the loss covered under **Scheduled Farm Personal Property- Coverage E1**;
 - b. The total actual cash value of all items of the loss under **Unscheduled Farm Personal Property - Coverage E2**; or
 - c. The coverage limit shown on the Declarations Page for any item of the loss covered under **Farm Buildings and Structures- Coverage F**.
3. If multiple coverages with different deductible amounts are available as the result of a single **occurrence**, the highest deductible amount will be subtracted from the amount paid for the loss.

Definitions Used Throughout This Policy

The terms defined below appear in bold type throughout this policy.

1. "**You**" and "**your**" mean:
 - a. The Policyholder(s) identified on the Declarations page; and
 - b. His or her spouse if a resident of the same household.
2. "**We**", "**us**" and "**our**" mean the Oklahoma Farm Bureau Mutual Insurance Company.
3. "**Bodily injury**" means bodily injury, sickness or disease, and includes care, loss of services and resulting death.
4. "**Business**" means:
 - a. any full or part time trade, profession or occupation; and
 - b. the rental or holding for rental of any premises by an **insured person**.

But "**Business**" does not mean:

- c. **farming**;
 - d. occasional rental or holding for rental of the **residence premises** for use as a dwelling;
 - e. rental or holding for rental of part of the **residence premises** for use as a dwelling, unless the rental is to three or more roomers or boarders; or
 - f. rental or holding for rental of part of the **residence premises** as a private garage, office, school or studio.
5. "**Cannabis**" means:
- a. any product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.
 - b. paragraph 5.a. above includes, but is not limited to, any of the following containing such THC or cannabinoid:
 - (1) any plant of the genus Cannabis L., or any part of that plant, such as seeds, stems, flowers, stalks and roots; or
 - (2) any compound, byproduct, extract, derivative, mixture or combination, such as:
 - (a) resin, oil or wax;
 - (b) hash or hemp; or
 - (c) infused liquid or edible cannabis;whether or not derived from any plant or part of any plant described in Paragraph 5.b.(1).
6. "**Custom Farming**" means **farming** operations performed by the **insured person** or a **farm employee** on farm premises not owned, leased or rented by the **insured person**. "**Custom Farming**" does not mean **farming** operations performed by the **insured person** or a **farm employee** as part of an exchange labor agreement.
7. "**Custom Hired Labor**" means the duties of a **farm employee** performed on behalf of the **insured person** on farm premises not owned, leased or rented by the **insured person**.
8. "**Cyber Event**" means:
- a. Unauthorized access to or use of or any unauthorized attempt to access or use any computer system, network, electronic device, or electronic data.
 - b. The introduction of any malicious code, virus, worm, spyware, malware, or any other harmful computer code which is used or designed to access, collect, encrypt, steal, destroy, alter, retrieve, disrupt, exploit or otherwise harm or perpetuate a fraud upon any computer system, network, electronic device, or electronic data.
 - c. Any denial of service attack, threat, or demand for any type of payment, which involves a malicious or otherwise harmful restriction of access to, disablement of, impairment of, or disruption of the normal use, functioning or operation of any computer system, network, electronic device, or electronic data.
9. "**Day**" means one **insured person** or one **farm employee** working one day.
10. "**Farm employee**" means an employee of an **insured person** whose duties are in connection with **farming** operations of an **insured person**. It does not mean a person working for an **insured person** or under an **insured person's** direction through an exchange labor agreement. It does not mean a **residence employee** or an employee while engaged in an **insured person's business**.
11. "**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 operation of roadside stands kept mainly for the sale of the **insured person's** farm products.
12. "**Fungus**" means any type or form of fungus, including mold, mildew or bacteria, and any mycotoxins, spores, scents or by-products produced or released by fungi.
13. "**Insured Person**" means:
- a. **you**;
 - b. **your** relatives residing in **your** household; and
 - c. any other person under the age of 21 residing in **your** household, who is in **your** care or the care of a resident relative.
14. "**Insured Premises**" means:
- a. the farm premises and **residence premises** which is described on the Declarations page;
 - b. any other premises acquired by **you** during the term of this policy which **you** intend to use as a **residence premises**;
 - c. the part of any other premises where **you** reside and which is shown on the Declarations page;
 - d. any part of a premises not owned by an **insured person** where the **insured person** may be temporarily residing or which an **insured person** may occasionally rent for non-**business** purposes;
 - e. vacant land owned by or rented to an **insured person**;
 - f. cemetery plots or burial vaults owned by an **insured person**;
 - g. land on which a single or two family residence is being built for an **insured person**, if the land is owned by or rented to the **insured person**; and
 - h. any structures or grounds used by **you** in connection with **your residence premises**.
15. "**Occurrence**" means an accident, including continuous or repeated exposure to conditions, which results in **bodily injury** or **property damage**. All **bodily injury** and **property damage** resulting from a common cause shall be considered the result of one **occurrence**.
16. "**Property Damage**" means physical injury to or destruction of tangible property, including loss of its use.
17. "**Regular Hired Labor**" means the duties of a **farm employee** on the **insured premises**.
18. "**Residence Employee**" means an employee of an **insured person** whose duties are in connection with the maintenance or use of the **residence premises**. It does not mean a **farm employee** or an employee while engaged in an **insured person's business**.

19. "**Residence Premises**" means the one or two family dwelling where **you** reside, including the building, the grounds adjacent to the dwelling not used for **farming**, and other structures on the grounds. The "**residence premises**" is described on the Declarations page.
20. "**Roof surfacing**" means the shingles, tiles, exterior sheathing, roof panels, or similar materials covering the roof. "**Roof surfacing**" includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing and roof ventilation components.
21. "**Trailer**" means a vehicle designed to be pulled by a:
 - a. private passenger auto; and
 - b. pickup, truck or van.

It also means a farm wagon or farm implement while being towed by, connected to or carried on **your** land motor vehicle.

When A Loss Occurs

1. Notification

If a covered loss occurs, the **insured person** must give **us** immediate written notice, including:

- a. **your** name and policy number;
- b. the time, place and circumstances of the accident, **occurrence** or loss; and
- c. the names and addresses of injured persons and witnesses.

In case of theft, also notify the police. In case of loss under Credit Card, Charge Plate, Fund Transfer Card and Check Forgery Coverages, also notify the issuer of card or plate or the bank.

2. Our Duty After Loss

Within 45 days after receipt of a proof of loss, **we** will submit to **you** a written offer of settlement or a rejection of **your** claim.

3. How Losses Are Settled

Loss settlement is determined by the particular covered perils **you** chose, which are included in the Coverage Part attached to this policy.

4. Our Payment of Loss

We will adjust any loss with **you**, and pay **you** unless another payee is named on the Declarations page. **We** will pay within 60 days after **we** receive **your** proof of loss and the amount of loss is finally determined by agreement between **you** and **us**, a court judgment or an appraisal award.

5. Other Insurance

If both this and other insurance apply to a loss, this policy is excess to such other insurance.

Your Responsibilities

1. After a Loss Occurs:

- a. protect the property from further damage, making necessary and reasonable repairs to protect the property, and keeping records of the cost of repairs;
- b. make a list of all damaged or destroyed property, showing in detail, quantities, costs, actual cash value and amount of loss claimed;

- c. send to **us**, within 60 days after loss, the above list and a proof of loss signed and sworn to by the **insured person**, including:
 - (1) the information reported in **When A Loss Occurs, 1. Notification** above;
 - (2) the interest of **insured persons** and all others in the property;
 - (3) all encumbrances on the property;
 - (4) other policies covering the loss;
 - (5) changes in title, use, occupancy or possession of the property; and
 - (6) if required, any plans and specifications of the damaged buildings or fixtures;
- d. exhibit the damaged property to **us** and **our** representatives, as often as may be reasonably required;
- e. submit to statements and examinations, while not in the presence of any other **insured person**, under oath by any person named by **us** and sign the transcript of the examinations;
- f. produce for examination, with permission to copy, all books of account, bills, invoices, receipts and other vouchers as **we** may reasonably require;
- g. produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records pertaining to any loss of rental income;
- h. send **us** promptly any legal papers received relating to any claims or suit; and
- i. cooperate with **us** and assist **us** in any matter relating to a claim or suit.

2. Appraisal

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the county where the **residence premises** is located to select an umpire.

The appraisers shall then appraise the loss, stating separately the loss to each item. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally pay expenses for the umpire and all other expenses of the appraisal.

3. Abandoned Property

We are not obliged to accept abandoned property.

4. Suit Against Us

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within one year after the loss or damage occurs.

5. Permission Granted To You

You may make alterations, additions and repairs to **your** building and complete structures under construction. The **residence premises** may be vacant or unoccupied without limit of time, except where this policy specifies otherwise.

Conditions

1. Assignment

Interest in this policy, or any claim or partial claim, may not be transferred without **our** written consent. But, if the Policyholder named on the Declarations page or the spouse of the Policyholder residing in the same household dies, the policy will cover:

- a. any surviving member of the deceased's household who was covered under this policy at the time of death, but only while a resident of the **insured premises**;
- b. the legal representative of the deceased person while acting within that capacity; and
- c. any person having proper custody of insured property until a legal representative is appointed.

2. Cancellation or Nonrenewal

- a. **You** may cancel this policy at any time by returning it to **us** or by notifying **us** in writing of the date cancellation is to take effect.
- b. **We** may cancel this policy only for the reasons stated in this Condition by notifying **you** in writing of the date cancellation takes effect.

This cancellation notice may be delivered to **you** or mailed to **you** at **your** mailing address shown on the Declarations page. Proof of mailing shall be sufficient proof of notice.

- (1) When **you** have not paid the premium, whether payable to **us** by cash or under any finance or credit plan, **we** may cancel at any time by notifying **you** at least 10 days before the date cancellation takes effect.
 - (2) When this policy has been in effect for less than 45 business days and is not a renewal with **us**, **we** may cancel for any reason by notifying **you** at least 10 days before the date cancellation takes effect.
 - (3) When this policy has been in effect for 45 business days or more, or at any time if it is a renewal with **us**, **we** may cancel if there has been a material misrepresentation of fact which, if known to **us**, would have caused **us** not to issue the policy or if the risk has changed substantially since the policy was issued. This can be done by notifying **you** at least 30 days before the date cancellation takes effect.
 - (4) When this policy is written for a period longer than one year, **we** may cancel for any reason at anniversary by notifying **you** at least 30 days before the date cancellation takes effect.
- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded. When **you** request cancellation, the return premium will be based on **our** short rate table. When **we** cancel, the return premium will be pro rata.
 - d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to **us**, **we** will refund the premium within a reasonable time after the date cancellation takes effect.
 - e. If **we** decide not to renew or not to continue this policy, **we** will notify **you** not less than 30 days before the end of the policy period. **We** will mail to **you** or deliver to **you** notice of nonrenewal at the address shown on the Declarations page. Proof of mailing shall be sufficient proof of notice.

3. Concealment or Fraud

- a. SECTION 3613.1 OF TITLE 36 OF THE OKLAHOMA STATUTES: "**WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.**"
- b. This entire policy is voidable if an **insured person** has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, or acted fraudulently or made false statements relating to this insurance.

4. Changes

This policy and the Declarations page include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this policy except by endorsement issued by **us**. If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of the change. If any coverage **you** have under this policy is broadened without charge during the policy period, this policy will automatically provide the broadened coverage when effective.

5. Our Right To Recover Payment

After making payment under this policy, **we** will have the right to recover to the extent of **our** payment from anyone held responsible. This right will not apply under the **Property Section** if **you** have waived it in writing prior to loss. The **insured person** will do whatever is required to transfer this right to **us**.

This condition does not apply under the **Personal Liability Section to Coverage H - Medical Payments To Others** or **Additional Coverages - Personal Liability Damage To Property of Others**.

6. Policy Period

This policy applies to losses, **bodily injury or property damage** which occur during the policy period. It may be renewed for successive policy periods if the required premium is paid and accepted by **us** on or before the expiration of the current policy period. The premium will be computed at **our** then current rate for coverage then offered.

7. Conformity With Statute

Should any terms of this policy be in conflict with the statutes of Oklahoma, the terms are amended to conform with such statutes.

8. Insurable Interest

We will not pay more than the insurable interest an **insured person** has in the covered property at the time of loss.

9. No Benefit To Bailee

This insurance will not, in any way, benefit any person or organization who may be caring for or handling property for a fee.

10. Inspection

We shall be permitted at all reasonable times during the policy period, to inspect the plants, works, machinery and appliances covered by this policy.

Property Section - I

This Section, combined with the **General Section**, the **Farm Property Section** and the **Coverage Part**, provides the property coverage **you** selected, as identified on the Declarations page.

This Section includes:

Dwelling - Coverage A, Other Structures - Coverage B, Personal Property - Coverage C, Exclusions, Special Limits on Certain Property, Additional Living Expenses and Loss of Rents - Coverage D, Additional Coverages, Deductible, and Property Conditions.

Dwelling - Coverage A

We cover:

1. **your** dwelling, including structures attached to it, at the **residence premises**. The dwelling must be used principally as a private residence; and
2. construction material at the **residence premises** for use in connection with **your** dwelling.

Other Structures - Coverage B

We cover:

1. other structures at the **residence premises** which are within 100 feet of the dwelling insured under **Dwelling - Coverage A**, and
 - a. not attached to the dwelling, or
 - b. connected to the dwelling by only a utility line, fence or similar connection;
2. fences, driveways, sidewalks and other permanently installed outdoor fixtures at the **residence premises** that are within 100 feet of the dwelling insured under **Dwelling - Coverage A**; and
3. construction material at the **residence premises** for use in connection with the other structures listed in 1 above.

We do not cover loss to structures used to any extent for **business** or **farming** purposes.

Personal Property - Coverage C

We cover personal property owned or used by an **insured person** anywhere in the world. Any personal property, which is usually at a residence other than the **residence premises**, is covered for up to 10% of the **Personal Property - Coverage C** limit, but not less than \$1,000. This limitation does not apply to personal property in a newly acquired principal residence for the first 30 days after **you** begin to move there.

If **you** ask **us**, **we** will cover personal property owned by others while it is on the part of the **residence premises** occupied by an **insured person**. Also, if **you** ask **us**, **we** will cover personal property of a houseguest or **residence employee** in any residence of an **insured person**.

We do not cover:

1. farm personal property;
2. animals, birds or fish;
3. land motor vehicles and their parts, equipment and accessories. **We** do provide coverage if the land motor vehicle is not subject to motor vehicle registration and it is used exclusively to service the **residence premises**;
4. electric-assisted bicycles;
5. all-terrain vehicles (ATV's), utility vehicles (UTV's), recreational off-road vehicles, or vehicles with less than 4 wheels, and their parts, equipment and accessories;

6. aircraft and their tires, parts, equipment and accessories;
7. property of roomers and boarders not related to an **insured person**, or property of tenants;
8. property rented or held for rental to others by an **insured person**, or property furnished to or held as furnishings for **farm employees**. But, **we** do cover that property while on the part of the **residence premises** used exclusively by an **insured person** or roomers and boarders;
9. property in that part of the **residence premises** rented or held for rental to others (except roomers or boarders) by an **insured person**;
10. radios, tape players and other devices for the recording, reproduction, receiving or transmitting of sound or pictures which may be operated by power from the electrical system of a land motorized vehicle while in or upon that vehicle. Accessories to these devices, including antennas, tapes and records are not covered while in or upon a land motorized vehicle;
11. property specifically described and insured by this or any other insurance;
12. farm operations records expenses;
13. **cannabis**; or
14. loss, damage, cost or expense directly or indirectly caused by, resulting from, or arising out of a **cyber event**. Such loss, damage, cost or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Special Limits on Certain Property

Special limits apply to the following groups of personal property. These limits do not increase the amount of insurance under **Personal Property - Coverage C**. The limit of insurance for each group is the maximum **we** will pay for any one **occurrence** for all property included in the group.

Limit of Insurance Personal Property Group

1. \$500 Money, bank notes, bullion, coins and medals and other numismatic property, and precious metals including platinum, gold and silver, but not goldware or silverware.
2. \$1,000 Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, passports, manuscripts, tickets, stamps and other philatelic property.
3. \$1,000 Cemetery markers, headstones and urns.
4. \$1,000 Watercraft, including their **trailers**, furnishings, equipment and outboard motors.
5. \$1,000 **Trailers** not used to tow watercraft.
6. \$2,500 Theft of jewelry, watches, precious and semiprecious stones and furs, including any article containing fur which represents its principal value.
7. \$2,500 Theft of guns.
8. \$2,500 Theft of silverware, goldware and pewterware.
9. \$5,000 Electronic data processing equipment and the recording or storage media used with that equipment, whether or not it is **business** property, while used principally on the **residence premises**.
10. \$ 500 Property used or intended for use in a **business**, not including electronic data processing equipment or the recording or storage media used with that equipment.
11. \$10,000 Land motorized vehicles.

Additional Living Expense and Loss Of Rents - Coverage D

If a covered loss makes **your residence premises** uninhabitable, **we** will pay, at **your** option either:

1. the reasonable increase in **your** living expenses necessary to maintain **your** normal standard of living while **you** live elsewhere; or
2. the fair rental value of the part of the **residence premises** where **you** reside, less any charges and expenses which do not continue while the **residence premises** is uninhabitable.

We will pay for the shortest time needed:

1. to repair or replace the damaged property; or
2. for **you** to permanently relocate.

We will also pay for **your** loss of normal rents resulting from a covered loss while the rented part of a **residence premises** is uninhabitable, less charges and expenses which do not continue during that time. **We** will pay this loss of normal rents only for the shortest time needed to make the rented part habitable.

If damage caused by a peril **we** insure against occurs at a neighboring premises, **we** will pay reasonable additional living expenses and loss of normal rents for up to two weeks should civil authorities prohibit occupancy of the **residence premises**.

These periods of time will not be shortened by the expiration of this policy.

We will not pay for loss or expense due to the cancellation of a lease or agreement.

No deductible will apply to these coverages.

Additional Coverages

1. Debris Removal

We will pay reasonable expenses **you** incur to remove debris of covered property following a loss from a peril **we** insure against.

If the cost to repair or replace that property, plus the cost of its debris removal, is more than the applicable limit of liability for the property, **we** will pay up to an additional 5% of the limit of liability shown on the Declarations page for the property.

We will also pay up to \$500 in the aggregate for any one loss for reasonable expenses incurred by **you** in removing any fallen trees from the **residence premises** if:

- a. the trees damage covered property within 100 feet of the dwelling insured under **Dwelling - Coverage A**;
- b. the falling of the trees is caused by any peril **we** insure against; and
- c. this coverage is not provided elsewhere in this policy.

2. Fire Department Service Charges

We will pay up to \$500 for **your** liability under an agreement for service charges made by a fire department when called to protect **your** covered property from a peril **we** insure against.

Payments are in addition to the amount of insurance applying to the loss.

No deductible applies to this coverage.

3. Credit Card, Charge Plate, Fund Transfer Card, Check Forgery and Counterfeit Money Coverages

a. Credit Card, Charge Plate and Fund Transfer Card Coverage

If an **insured person** is legally required to pay for the unauthorized use of a credit card or charge plate issued to the **insured person**, **we** will cover the loss.

We will also pay for loss which results from unauthorized use of a fund transfer card issued to an **insured person**. A fund transfer card is one used for deposit, withdrawal or transfer of funds.

But **we** will not cover use of the credit card, charge plate or fund transfer card by a resident of **your** household. **We** also will not cover use by someone to whom an **insured person** has given the card or plate. **We** will not cover any use unless the **insured person** has met all the terms under which the card or plate was issued.

b. Check Forgery Coverage

We cover loss to an **insured person** caused by forgery or alteration of a check. This includes all negotiable instruments.

c. Counterfeit Money Coverage

We cover loss sustained by an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than \$1,000 for any one **occurrence** involving one or more of these coverages.

We do not cover any loss that arises from **business** pursuits or dishonesty of the **insured person**.

No deductible applies to these coverages.

If a claim is made or suit is brought against the **insured person** for liability under the Credit Card, Charge Plate or Fund Transfer Card Coverage, **we** will defend the **insured person**. **We** will use **our** lawyers and bear the expense.

We may at **our** option and at **our** expense, defend the **insured person** or that person's bank against a suit to enforce payment under the Check Forgery Coverage.

We may investigate any claim or settle any suit as **we** think appropriate. **We** will not defend after **we** have paid an amount equal to the limit of **our** liability.

4. Emergency Removal of Property

We will pay for property damaged in any way being removed or while removed from a premises because of danger from a peril **we** insure against.

Coverage is limited to a 30 day period from date of removal. Payments will not increase the amount of insurance applying to the covered property.

5. Necessary Repairs After Loss

We will pay the reasonable cost of necessary repairs made solely to protect covered property from additional damage following a loss from a peril **we** insure against. Payments will not increase the amount of insurance applying to the covered property.

6. Trees, Shrubs, Plants and Lawns

We will pay up to 5% of the **Coverage A - Dwelling** limit of liability shown on the Declarations page, for loss at the **residence premises** to trees, shrubs, plants, and lawns.

Coverage applies to loss caused by the following perils **we** insure against: Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles not owned or operated by an occupant of the **residence premises**, Vandalism or Malicious Mischief or Theft. Payments are in addition to the amount of insurance applying to Dwelling Coverage.

We will not pay for:

- more than \$500 on any one tree, shrub or plant;
- trees, shrubs, plants or lawns grown for **business** or **farming** purposes; or
- trees, shrubs, plants or lawns located more than 100 feet from the dwelling insured under **Dwelling - Coverage A**.

7. Refrigerated Products

We cover **your** contents in deep freeze or refrigerated units on the **residence premises** for direct physical loss from mechanical breakdown or power failure, if **you** use all reasonable means to protect these contents immediately upon learning of the breakdown or failure. **We** pay the cost to replace the property as of the time of loss up to \$250 limit of liability, and this is the total limit for each loss.

No deductible applies to this coverage.

8. Land

We will pay up to \$10,000 for cost required to replace, rebuild, stabilize or otherwise restore the land necessary to support the insured dwelling or other structures sustaining a covered loss. This may increase the limit of liability applying to the property.

9. Arson or Theft Reward

We will pay \$1,000 for information which leads to an arson or theft conviction in connection with a loss covered by this policy. Regardless of the number of persons providing information, **our** limit shall not be increased.

10. Ordinance or Law

- We** will pay up to 10% of the **Coverage A - Dwelling** limit of liability shown on the Declarations page, for the total increased costs **you** incur because of the enforcement of any ordinance or law which requires or regulates:
 - the construction, repair, or demolition of that part of a covered building or other structure damaged by a peril **we** insure against;
 - the construction, repair, or demolition of the undamaged part of a covered building or other structure, if that building or other structure must be totally demolished because of damage by a peril **we** insure against to another part of that covered building or other structure; and
 - the demolition or replacement of the portion of the undamaged part of a covered building or other structure, necessary to complete the construction, repair, or demolition of that part of the covered building or other structure damaged by a peril **we** insure against.

b. **We** do not cover:

- the loss in value to any covered building or other structure due to the requirements of any ordinance or law;
- the costs to comply with any ordinance or law, which requires any **insured person** or others to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of, pollutants or contaminants; or
- increased costs **you** incur due to any ordinance or law which goes into effect after a covered loss occurs.

Deductible

- For each **occurrence**, one deductible amount, as shown on the Declarations Page, will be deducted from the amount paid for the loss. The Loss by Windstorm/Hail deductible amount shown on the Declarations Page will be deducted from the amount paid for loss caused by windstorm or hail, and the All Other Property Losses deductible amount shown on the Declarations Page will be deducted from the amount paid for loss caused by anything other than windstorm or hail.
- For loss caused by windstorm or hail, which includes **property damage** covered under **Scheduled Farm Personal Property - Coverage E1, Unscheduled Farm Personal Property - Coverage E2, or Farm Building and Structures - Coverage F**, but does not include **property damage** covered under **Dwelling - Coverage A**, the amount of the deductible will not exceed the All Other Property Losses deductible amount shown on the Declarations Page. However, the Losses By Windstorm/Hail deductible shown on the Declarations Page will be applied if the **Dwelling - Coverage A** limit shown on the Declarations Page is less than:
 - The coverage limit shown on the Declarations Page for any item of the loss covered under **Scheduled Farm Personal Property- Coverage E1**;
 - The total actual cash value of all items of the loss under **Unscheduled Farm Personal Property - Coverage E2**; or
 - The coverage limit shown on the Declarations Page for any item of the loss covered under **Farm Buildings and Structures- Coverage F**.
- If multiple coverages with different deductible amounts are available as the result of a single **occurrence**, the highest deductible amount will be subtracted from the amount paid for the loss.

Property Conditions

These Conditions are in addition to those shown in the **General Section**.

1. Loss To A Pair or Set

We may repair or replace any part of the pair or set to restore it to its value before the loss, or **we** may pay the difference between the actual cash value of the property before and after the loss.

2. Our Payment of Loss

We will adjust any loss with **you**, and pay **you** unless another payee is named on the Declarations page. **We** will pay within 60 days after **we** receive **your** proof of loss and the amount of loss is finally determined by agreement between **you** and **us**, a court judgment or an appraisal award.

3. Mortgagee

A loss shall be payable to any mortgagee named in the Declarations, to the extent of their interests and in the order of precedence. Mortgagee includes a trustee under a trust deed or a contract seller under a land contract.

Our Duties

We will:

- protect the mortgagee's interests in the insured building; and
- give the mortgagee 10 days notice before canceling this policy.

Mortgagee's Duties

The mortgagee will:

- furnish proof of loss within 60 days if the **insured person** fails to do so;
- pay upon demand any premium due if the **insured person** fails to do so;
- notify **us** of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- give **us** the right of recovery against any party liable for loss; but giving **us** this right will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim; and
- after a loss, permit **us** to satisfy the mortgagee requirement and receive full transfer of the mortgage.

4. Inflation Protection Coverage

The Limits of Liability shown on the Declarations page for **Dwelling – Coverage A, Other Structures – Coverage B, Personal Property – Coverage C and Additional Living Expense and Loss of Rents – Coverage D** may be increased at the end of each 12 month period after the effective date of the policy. The appropriate premium for these increased limits will be shown on the Declarations page.

Farm Property Section

This Section, combined with the **General Section, Property Section - I**, and the Coverage Part, provides the property coverage **you** selected, as identified on the Declarations page.

This Section includes **Scheduled Farm Personal Property - Coverage E1, Unscheduled Farm Personal Property - Coverage E2, Farm Buildings and Structures - Coverage F**.

Scheduled Farm Personal Property - Coverage E1

We cover the following types of Scheduled Farm Personal Property for which an amount of insurance is shown on the Declarations Page:

Grain. We cover:

- grain;
- threshed seeds or beans;
- silage;
- ground feed; and
- manufactured and compounded stock foods, if in buildings, structures, sacks, wagons or trucks. Grain in stacks, shocks, swaths or piles in the open is covered only against loss by fire. **We** do not cover grain under Government Loan.

Hay in Buildings. We cover hay, straw, and fodder, in buildings or structures.

Hay in the Open. We cover hay, straw, and fodder, in stacks, windrows, and bales, only while in the open, and only against loss by fire.

One stack means hay, straw, or fodder, in one area separated by a clear space of 100 feet or more from any other hay, straw, or fodder, in the open.

You may apply 10% of the amount of insurance set for grain, hay in buildings, and hay in the open, to cover grain, hay in buildings, and hay in the open, while away from the **insured premises** but within 100 miles of the **residence premises**. But **we** will not cover these items while:

- stored or being processed in manufacturing plants, public elevators, warehouses, seed houses, or drying plants;
- in transit by common carrier; or
- in public sales barns and yards.

Tools, Supplies and Equipment. We cover tools, supplies and equipment used in operating the farm. **We** will pay no more than \$2,500 for any one item.

We do not cover:

- property specifically described and insured by this or any other insurance;
- brooders, fences, windmills and wind chargers and their towers;
- land motorized vehicles and their parts, equipment and accessories;
- watercraft and their parts, equipment and accessories;
- aircraft, and their tires, parts, equipment and accessories;
- threshing machines, tractors, combines, corn pickers, hay balers, harvesters, peanut diggers, potato diggers and pickers, cotton pickers, crop driers, sawmill equipment, irrigation motors, pumps and equipment;
- manufactured fuels and their containers;
- bulk milk tanks, bulk feed tanks, barn cleaner, pasteurizers, boilers or any permanent fixtures attached to or within a building; or
- portable buildings and portable structures.

Specifically Insured Machinery

Items of machinery, vehicles and equipment for which an amount of insurance is specifically set are covered within 100 miles of the **residence premises**.

We do not cover land motor vehicles subject to motor vehicle registration and their parts, equipment and accessories.

We do not cover all-terrain vehicles (ATV's), utility vehicles (UTV's), recreational off-road vehicles, or vehicles with less than 4 wheels, and their parts, equipment and accessories.

We cover replacements for specifically insured machinery for no more than the smaller of:

1. the amount of insurance specified for the replaced item; or
2. actual cash value.

Within 30 days after acquiring the replacement, **you** must notify **us**, giving a full description and paying any additional premium. If this is not done, the amount of insurance for the replaced item applies.

Newly Acquired or Borrowed Farm Machinery, Vehicles and Equipment. If the Declarations Page lists scheduled items of farm machinery, vehicles or equipment for which an amount of insurance is specifically set and a premium charged under **Scheduled Farm Personal Property - Coverage E1**, **we** will cover newly acquired or borrowed farm machinery, vehicles or equipment. **We** will pay no more than \$20,000 for all newly acquired or borrowed farm machinery, vehicles and equipment.

Within 30 days of acquisition of any newly acquired farm machinery, vehicles and equipment, **you** must notify **us**, giving a full description and paying any additional premium. If this is not done, coverage for the newly acquired farm machinery, vehicles and equipment ceases.

We do not cover newly acquired or borrowed:

1. brooders, fences, windmills and wind chargers and their towers;
2. land motor vehicles subject to motor vehicle registration and their parts, equipment and accessories;
3. all-terrain vehicles (ATV's), utility vehicles (UTV's), recreational off-road vehicles, or vehicles with less than 4 wheels, and their parts, equipment and accessories;
4. watercraft and their parts, equipment and accessories;
5. aircraft, and their tires, parts, equipment and accessories;
6. threshing machines, crop driers and sawmill equipment;
7. manufactured fuels and their containers; or
8. replacements for farm machinery, vehicles and equipment specifically described.

Livestock. Insurance for covered livestock applies on and off the **insured premises**. But, it does not apply to livestock while in transit by common carrier, or in slaughterhouses, packing plants, public stockyards, public sales barns, and public sales yards.

We will pay no more than the smallest of the following for any one animal:

1. 120% of the average value per head of livestock. This average value is the amount of insurance for the class of livestock divided by the number of head of that class owned by an **insured person** at the time of loss (In applying this clause, each horse, mule or head of cattle under one year of age shall be counted as one-half head); or
2. the actual cash value of the destroyed or damaged animal.

We do not cover loss to livestock caused by:

1. running into streams or ditches;
2. running against fences or other objects;
3. smothering;
4. fright;
5. freezing;
6. gunshot; or
7. drowning.

Farm Operations Records Expenses. **We** cover books of account, manuscripts, abstracts, drawings, card index systems and other records. **We** also cover the cost incurred for copying such records. But, in the case of electronic data processing materials, **we** will pay only the cost of unexposed or blank film, tape, disc, drum, cell or other magnetic or storage media. And, **we** do not cover computer software programs which are used to operate farm machinery or equipment.

Portable Buildings and Portable Structures. **We** cover portable buildings and structures owned by an **insured person**. **We** will pay no more for each damaged portable building or structure than the following:

The stated amount of insurance multiplied by the ratio of the value of such building or structure to the total value of all portable buildings and structures owned by **you** at the time of loss.

Irrigation Equipment. **We** cover irrigation equipment which consists of motors, pumps, and pipes.

Property Not Covered

Under **Scheduled Farm Personal Property - Coverage E1**, **we** do not cover loss to:

1. growing crops and stubble;
2. radios, tape players and other devices for the recording, reproduction, receiving or transmitting of sound or pictures which may be operated by power from the electrical system of a land motorized vehicle while in or upon that vehicle. However, **we** do cover loss to such devices for which an amount of insurance is shown on the Declarations Page. Accessories to these devices, including antennas, tapes and records are not covered while in or upon a land motorized vehicle. This exclusion does not apply to GPS units, crop monitors, or autosteer systems;
3. contents of a rice warehouse, rice drying house, cotton gin building, part of a cotton gin plant, or located on gin premises, or machinery, vehicles or implements that are part of these operations;
4. poultry;
5. **cannabis**; or
6. loss, damage, cost or expense directly or indirectly caused by, resulting from, or arising out of a **cyber event**. Such loss, damage, cost or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Unscheduled Farm Personal Property - Coverage E2

We cover farm personal property usual and incidental to the operation of a farm while on the **insured premises** if such property is:

1. owned by an **insured person**;
2. leased or rented to an **insured person** for farming purposes; and
3. farm machinery while borrowed by the **insured person** or his or her employees for **farming** purposes.

We also cover the following property elsewhere:

1. farm implements, machinery and vehicles, not otherwise excluded, while within 100 miles of the **residence premises**; and

2. grain, threshed seeds, threshed beans, hay, straw, fodder, silage, ground feed and manufactured and compounded stock foods, except while stored or being processed in public elevators or warehouses, seed houses, drying plants or manufacturing plants.

We will not pay more than:

1. \$20,000 for farm machinery while borrowed by the **insured person** or his or her employees for **farming** purposes; or
2. \$1,000 for manufactured fuels and their containers.

Property Not Covered

Under **Unscheduled Farm Personal Property - Coverage E2**, we do not cover loss to:

1. animals;
2. tobacco, cotton, vegetable, root crops, bulbs and fruit;
3. nursery stock;
4. contents of chicken fryer or broiler houses, laying houses, poultry brooder houses, duck or turkey houses, except when the total number of fowl on the farm is less than 100 on the day of loss;
5. land motorized vehicles subject to motor vehicle registration and their parts, equipment and accessories;
6. all-terrain vehicles (ATV's), utility vehicles (UTV's), recreational off-road vehicles, or vehicles with less than 4 wheels, and their parts, equipment and accessories;
7. aircraft, and their tires, parts, equipment and accessories;
8. watercraft and their parts, equipment and accessories;
9. fences, windmills and wind chargers and their towers;
10. bulk milk tanks, bulk feed tanks, barn cleaners, pasteurizers, boilers and permanent fixtures attached to or within a building;
11. portable buildings and portable structures;
12. radios, tape players and other devices for the recording, reproduction, receiving or transmitting of sound or pictures which may be operated by power from the electrical system of a land motorized vehicle while in or upon that vehicle. Accessories to these devices, including antennas, tapes and records are not covered while in or upon a land motorized vehicle. This exclusion does not apply to GPS units, crop monitors, or autosteer systems;
13. sawmill equipment;
14. irrigation equipment;
15. outdoor radio and television equipment;
16. property specifically described and insured by this or any other insurance;
17. **cannabis**; or
18. loss, damage, cost or expense directly or indirectly caused by, resulting from, or arising out of a **cyber event**. Such loss, damage, cost or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Grain & Hay in the Open

We cover the following only against loss by fire:

1. grain in stacks, swaths, or piles, in the open, or
2. hay, straw, and fodder, in stacks, windrows, and bales, in the open.

We will pay no more than \$15,000 for any one stack of hay, straw, or fodder. One stack means hay, straw, or fodder, in one area separated by a clear space of 100 feet or more from any other hay, straw, or fodder, in the open.

We will pay no more under this provision than 20% of the limit of liability that applies to **Unscheduled Farm Personal Property - Coverage E2**.

Coinsurance Clause

You must maintain insurance for at least 80% of the actual cash value of all covered farm personal property. If **you** fail to do this, **we** will pay the percentage of loss determined by dividing the amount of insurance carried by the amount **you** should have carried. The amount payable is subject to any applicable deductible.

If **you** have a loss, **you** must furnish **us** with an inventory of all farm personal property so **we** can establish the actual cash value referred to in the above paragraph. If **your** loss is both less than \$10,000 and less than 20% of the total amount of insurance applicable to farm personal property at the time such loss occurs, **we** may elect to waive the inventory requirement. This waiver does not change **your** obligation to maintain an amount of insurance referred to in this clause.

The following provision applies in the event of loss of or damage to machinery or equipment within 30 days after the purchase of additional or replacement machinery or equipment:

If the Limit of Insurance actually carried becomes inadequate due to the purchase of additional or replacement machinery or equipment, then, up to \$50,000 of the value of the newly purchased machinery or equipment will be omitted in determining the required Limit of Insurance.

Farm Buildings and Structures - Coverage F

The following provisions apply to farm buildings and structures for which an amount of insurance is shown on the Declarations Page:

Farm Barns, Buildings and Structures. Coverage also applies to their attached sheds and permanent fixtures and construction materials on the **insured premises** for use in connection with the barns, buildings or structures. Coverage does not apply to attached or unattached silos.

Additional Farm Dwellings. Coverage also applies to construction materials for use in connection with the dwellings.

Under **Contents of Additional Farm Dwellings**, we do not cover:

1. farm personal property;
2. animals, birds or fish;
3. land motor vehicles and their parts, equipment and accessories. **We** do provide coverage if the land motor vehicle is not subject to motor vehicle registration and it is used exclusively to service the **residence premises**;
4. electric-assisted bicycles;
5. all-terrain vehicles (ATV's), utility vehicles (UTV's), recreational off-road vehicles, or vehicles with less than 4 wheels, and their parts, equipment and accessories;
6. aircraft and their tires, parts, equipment and accessories;
7. property of roomers and boarders not related to an **insured person**, or property of tenants;
8. property rented or held for rental to others by an **insured person**, or property furnished to or held as furnishings for **farm employees**. But, **we** do cover that property while on the part of the **residence premises** used exclusively by an **insured person** or roomers and boarders;
9. property in that part of the **residence premises** rented or held for rental to others (except roomers or boarders) by an **insured person**;

10. radios, tape players and other devices for the recording, reproduction, receiving or transmitting of sound or pictures which may be operated by power from the electrical system of a land motorized vehicle while in or upon that vehicle. Accessories to these devices, including antennas, tapes and records are not covered while in or upon a land motorized vehicle;
11. property specifically described and insured by this or any other insurance;
12. farm operations records expenses;
13. **cannabis**; or
14. loss, damage, cost or expense directly or indirectly caused by, resulting from, or arising out of a **cyber event**. Such loss, damage, cost or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Fences. Coverage applies to fences, corrals, pens, chutes and feed racks on the **insured premises**. Coverage does not apply to field or pasture fences.

Private Power and Light Poles. Coverage also applies to outdoor wiring and attachments. Attachments include switch boxes, fuse boxes and other electrical equipment mounted on the poles.

Portable Buildings and Portable Structures. We will pay no more for each damaged portable building or structure than the following:

The stated amount of insurance multiplied by the ratio of the value of such building or structure to the total value of all portable buildings and structures owned by you at the time of loss.

Regal Coverage Part

This Coverage part, combined with the **General Section**, the **Property Section** and the **Farm Property Section**, provides the property coverages you selected, as identified on the Declarations page.

This Coverage part includes:

Perils We Insure Against, Exclusions, and How Losses are Settled.

Perils We Insure Against

We cover direct physical loss to property covered under **Dwelling - Coverage A** and **Other Structures - Coverage B** except for losses excluded in this Section.

We cover direct physical loss to property covered under **Personal Property - Coverage C** caused by Perils 1 thru 18, except Peril 11.

We cover direct physical loss to property covered under **Scheduled Farm Personal Property - Coverage E1** and **Unscheduled Farm Personal Property - Coverage E2** caused by Perils 1 through 11.

We cover direct physical loss to property covered under **Farm Buildings and Structures - Coverage F** caused by Perils 1 through 10.

1. Fire or Lightning

2. Windstorm or Hail

This does not include loss:

- a. caused directly or indirectly by frost, cold weather, ice, snow or sleet whether driven by wind or not.

- b. to the interior of any building, or property within, caused by rain, snow, sand, sleet or dust unless the building is first damaged by the direct force of wind or hail, creating an opening through which the rain, snow, sand, sleet or dust enters.
- c. to watercraft and their **trailers**, furnishings, equipment and motors unless inside a fully enclosed building.

3. Explosion

4. **Riot or Civil Commotion**, including direct physical loss from pillage and looting during and at the site of the riot or civil commotion.

5. **Aircraft**, including self propelled missiles and spacecraft.

6. Vehicles

This peril does not apply to loss caused by vehicles, farm machinery and equipment to

- a. fences, driveways and walks, if the vehicles, farm machinery or equipment are owned or operated by an occupant of the **residence premises**; or
- b. property insured under **Scheduled Farm Personal Property - Coverage E1, Unscheduled Farm Personal Property - Coverage E2, and Farm Buildings And Structures - Coverage F**.

7. **Smoke**, if the loss is sudden and accidental. This peril does not apply to loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism or Malicious Mischief

9. **Breakage of Glass** or safety glazing materials, which is part of the building. We will not pay for loss at any **residence premises** if it has been vacant for more than 30 consecutive days immediately preceding the loss. A building under construction is not considered to be vacant. If law requires broken or damaged glass to be replaced with safety glazing materials, we will pay that cost under **Additional Coverages** Item 10 **Ordinance or Law in Property – Section I**.

10. **Theft or Attempted Theft**, including loss of property from a known place if it is likely that a theft has occurred.

- a. this peril does not apply to theft:
 - (1) committed by an **insured person**.
 - (2) in or from a dwelling under construction or of construction material and supplies until completed and occupied.
- b. this peril does not apply to theft of the following from the part of the **residence premises** usually occupied by an **insured person** when it is rented to others:
 - (1) money, bank notes, bullion, coins and medals and other numismatic property, and precious metals including platinum, gold and silver, but not goldware or silverware.
 - (2) securities, manuscripts, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, tickets, stamps and other philatelic property.
 - (3) jewelry, watches, precious and semiprecious stones and furs, including any article containing fur which represents its principal value.
 - (4) any property if the theft is by any person renting that part of the **residence premises**.

- c. this peril does not apply away from the **residence premises** to theft of
- (1) property while in any other dwelling or its premises owned, rented or occupied by an **insured person** except while an **insured person** is temporarily residing there. Property of an **insured person** who is a student is covered at a residence away from home if the student has been there at any time during the 45 days immediately before the loss.
 - (2) watercraft and its equipment, outboard motors, campers and **trailers**.

11. Overturn and Collision

Farm machinery or vehicles insured under the Farm **Property Section** are covered for direct physical loss caused by:

- a. overturn; and
- b. collision with another object.

Impact of any part of the farm machinery or vehicles with the ground or rocks upon the ground is not considered collision. This peril does not include loss to any tire or track, whether rubber or metal, due to puncture, cut, gash, blowout, or to any other tire or track trouble, unless such loss occurs at the same time with another loss covered by this peril.

12. Falling Objects

This peril does not apply to loss to property within a building unless the falling object first damages the exterior of the building. **We** do not cover damage to the falling object.

13. Weight of Ice, Snow or Sleet which damages property in a building.

14. Collapse of Building or Any Part of a Building. Collapse does not include settling, cracking, shrinkage, bulging or expansion.

15. Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging of a heating, air conditioning or automatic fire protection sprinkler system or a water heating appliance.

This peril does not apply to loss which is caused by or results from freezing.

16. Accidental Discharge or Overflow of Water or Steam from within a plumbing, heating, air conditioning or automatic fire protection sprinkler system or domestic appliance.

We will also pay the cost of tearing out and replacing any part of the covered building necessary to repair the system or appliance from which the water or steam escapes.

This peril does not apply to loss

- a. caused by continuous or repeated seepage or leaking over a period of weeks, months or years.
- b. to the system or appliance from which the water or steam escapes.
- c. caused by or resulting from freezing.
- d. to property at a building vacant for more than 30 consecutive days immediately before the loss. A building under construction is not considered to be vacant.
- e. on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**.

17. Freezing of plumbing, heating and air conditioning systems and domestic appliances.

18. Sudden and Accidental Loss Caused by Artificially Generated Electrical Currents

We will pay up to \$1,000 for each damaged item but no more than \$2,500 per **occurrence** under this peril.

Exclusions - Losses We Do Not Cover

Under **Dwelling - Coverage A, Other Structures - Coverage B** and **Personal Property - Coverage C**, **we** do not cover loss resulting directly or indirectly from any of the following, and **we** do not cover any such loss regardless of any other peril or event contributing concurrently or in any sequence to the loss, whether the peril or event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

1. enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, unless coverage is specifically provided under **Additional Coverages** Item 10 **Ordinance or Law in Property - Section I**. In addition, **we** do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by a peril **we** insure against;
2. earthquake, landslide, mudflow, earth sinking, rising or shifting, or eruption, explosion or effusion of a volcano. **We** do cover direct physical loss that follows caused by fire, explosion, breakage of glass or theft;
3. water damage meaning
 - a. flood, surface water, waves, tidal water or overflow of a body of water. **We** do not cover spray from any of these, whether or not driven by wind;
 - b. water which backs up through sewers or drains; or
 - c. water below the surface of the ground. This includes water which exerts pressure on or flows, seeps or leaks through any part of a building or other structure, sidewalk, driveway or swimming pool.

We do cover any direct physical loss that follows caused by theft, fire or explosion;

4. failure or interruption of power or other utility service which occurs away from the **residence premises**. **We** will pay for loss caused solely by a peril **we** insure against that ensues at the **residence premises**;
5. vandalism or malicious mischief or breakage of glass and safety glazing materials if the **residence premises** has been vacant for more than 30 consecutive days immediately preceding the loss. A building under construction is not considered vacant;
6. freezing of plumbing, heating or air conditioning systems or domestic appliances, or by discharge, leakage or overflow from the system or appliance caused by freezing while the **residence premises** is vacant or unoccupied unless **you** take precautions to
 - a. shut off the water supply and drain the systems and appliances; and
 - b. maintain heat in the building;
7. neglect of an **insured person** to use all reasonable means to protect covered property at and after the time of loss;

8. war (declared or undeclared), civil war, insurrection, rebellion or revolution;
9. nuclear action, meaning nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if accidental, or any consequence of any of these. Loss caused by nuclear action is not considered loss by perils of Fire, Explosion or Smoke.

Direct physical loss by fire resulting from nuclear action is covered;

10. sonic booms;
11. an action by or at the direction of an **insured person** committed with the intent to cause a loss;
12. any loss while the dwelling is being moved, including the period of time when leveling blocks or jacks are removed and all utilities have been disconnected;
13. **fungus**, wet rot or dry rot. This exclusion applies whether or not the **fungus**, wet rot or dry rot arises from any other cause of loss.

This exclusion applies to losses including, but not limited to:

- a. any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, resulting from **fungus**, wet rot or dry rot;
 - b. any remediation of **fungus**, including but not limited to the cost to:
 - (1) treat, remove, or dispose of the **fungus**, wet rot or dry rot as required to repair, restore or replace covered property;
 - (2) tear out and replace any part of the building or other property as needed to gain access to the **fungus**, wet rot or dry rot; or
 - c. the cost of any investigation, testing or monitoring to confirm the type, absence, presence or level of **fungus**, whether performed prior to, during or after removal, repair, restoration or replacement of covered property;
14. any reduction in the value of property covered under this policy after it has been repaired as compared to its value before it was damaged;
 15. any faulty, inadequate or defective:
 - a. planning, zoning, development, surveying, siting,
 - b. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction,
 - c. materials used in repair, construction, renovation or remodeling;
 16. damage to solar panels or any of their components, including the cost to remove, reset, or replace solar panels.

Solar panel means any structure or object comprised of photovoltaic solar cells intended to convert sunlight into electricity; or
 17. tear-off, repair, removal, or replacement of any layer of **roof surfacing** beneath the outermost layer. This limitation applies even if the tear-off, repair, removal, or replacement of any layer of **roof surfacing** beneath the outermost layer is necessary to repair, remove, or replace the outermost layer of **roof surfacing**. This limitation also applies even if the tear-off, repair, removal, or replacement of any layer of **roof surfacing**, other than the outermost layer, is required by any law or ordinance, including any building code.

We will pay for direct physical loss to:

- a. the outermost layer of **roof surfacing** caused by a peril insured against in this policy, and
- b. decking below all layers of **roof surfacing** if a covered peril causes the direct physical loss to the decking.

Decking means the wood, plywood, wood fiber, or other material applied to the structural surface of a building and to which a roof assembly is attached. Decking does not include **roof surfacing** material of any type.

Under **Dwelling - Coverage A** and **Other Structures - Coverage B**, **we** do not cover loss resulting directly or indirectly from any of the following, and **we** do not cover any such loss regardless of any other peril or event contributing concurrently or in any sequence to the loss, whether the peril or event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

1. wear and tear, marring or scratching, deterioration, inherent vice, latent defect, mechanical breakdown, rust, mold, wet or dry rot, contamination, smog, smoke from agricultural smudging or industrial operations, settling, cracking, shrinkage, bulging or expansion of pavement, patios, foundations, walls, floors, roofs or ceilings, birds, vermin, rodents, insects or animals, including nesting, infestation, discharge or release of waste products or secretions by any bird, vermin, rodent, insect or animal. If, because of any of these, water escapes from a plumbing, heating or air conditioning system or domestic appliance, **we** cover loss caused by the water. **We** also cover the cost of tearing out and replacing any part of the covered building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which the water escapes;
2. theft in or from a dwelling under construction or of construction materials and supplies until completed and occupied;
3. continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years;
4. freezing, thawing, pressure or weight of water, ice, sleet or snow, whether driven by wind or not, to:
 - a. awnings, fences, pavements, patios, foundations, retaining walls, bulkheads, piers, wharves, or docks; or
 - b. swimming pools, hot tubs, or spas, including their covers, filtration, circulation systems and water supply systems; or
5. any faulty, inadequate or defective:
 - a. planning, zoning, development, surveying, siting,
 - b. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction,
 - c. materials used in repair, construction, renovation or remodeling.

How Losses Are Settled

1. Increased Limit of Liability

Dwelling - Coverage A and Other Structures - Coverage B

If an amount of loss exceeds the applicable limit of liability shown on the Declarations page for **Dwelling - Coverage A** or **Other Structures - Coverage B**, we will, at the time repairs or replacement are completed, increase the limit of liability for:

- a. **Dwelling - Coverage A**, up to a maximum of 125% of the limit shown on the Declarations page for **Dwelling - Coverage A**, and
- b. **Other Structures - Coverage B**, up to a maximum of 10% of the increased limit of liability for **Dwelling - Coverage A**.

The limit of liability will not be increased for any coverages other than **Dwelling - Coverage A** and **Other Structures - Coverage B**.

You must notify **us** within 90 days of the start of any new building valued at \$5,000 or more, or any additions to or remodeling of the dwelling or buildings which increase their values by \$5,000 or more, and pay any additional premium due for the increase in value. If **you** fail to so notify **us** within 90 days, **we** will pay no more than the applicable limit of liability shown on the Declarations page.

2. Loss Settlement

Dwelling - Coverage A and Other Structures - Coverage B

Loss to the dwelling or other structures will be settled at replacement cost without deduction for depreciation at the time of loss, subject to the following:

- a. If the replacement cost of the entire loss under **Dwelling - Coverage A** or **Other Structures - Coverage B** is more than \$1,000 or 5% of the applicable limit of liability shown on the Declarations page, **we** will pay no more than the actual cash value of the loss, not to exceed the applicable limit of liability shown on the Declarations page, until the repair or replacement is completed.
- b. Before the property is repaired or replaced, under **Dwelling - Coverage A** or **Other Structures - Coverage B**, **you** may make a claim for loss on an actual cash value basis, not to exceed the applicable limit of liability shown on the Declarations page. Then, within 180 days after loss, **you** may make a claim for any additional amount on a replacement cost basis, if the dwelling or other structure is rebuilt on the **residence premises** and intended for the same use.
- c. **We** will pay no more than the smallest of:
 - (1) the applicable limit of liability shown on the Declarations page, or when available, the applicable **Increased Limit of Liability**,
 - (2) the cost to replace the damaged dwelling or other structure, including obsolete, antique, or custom construction, with common construction techniques and commonly used building materials and methods for the same use on the same premises, or
 - (3) the amount actually spent for necessary repair or replacement of the damaged dwelling or other structure.
- d. Structures that are not buildings will be settled at actual cash value at the time of loss.

3. Loss Settlement - Personal Property - Coverage C

Loss to personal property will be settled at replacement cost without deduction for depreciation at the time of loss, subject to the following:

- a. When the identical article is no longer manufactured or is not available, **we** will pay based on an article similar to that damaged or destroyed and which is of comparable quality and usefulness.
- b. If the replacement cost of the entire loss under **Personal Property - Coverage C** is more than \$500, **we** will pay no more than the actual cash value of the loss, not to exceed the applicable limit of liability shown on the Declarations page, until the repair or replacement is completed.
- c. Before the property is repaired or replaced, under **Personal Property - Coverage C**, **you** may make a claim for loss on an actual cash value basis, not to exceed the applicable limit of liability shown on the Declarations page. Then, within 180 days after loss, **you** may make a claim for any additional amount on a replacement cost basis.
- d. Loss to the following property is not eligible for replacement cost settlement and will be settled at the actual cash value:
 - (1) antiques, fine arts, paintings, and similar articles of rarity or antiquity which cannot be replaced,
 - (2) memorabilia, souvenirs, collector's items and similar articles whose age or history contribute to its value,
 - (3) articles not maintained in good or workable condition, and
 - (4) articles that are outdated or obsolete and are stored or not being used.
- e. **We** will pay no more than the smallest of:
 - (1) **our** cost to replace the property at the time of loss,
 - (2) the cost of repair,
 - (3) 400% of the actual cash value at the time of loss,
 - (4) the applicable limit of liability shown on the Declarations page, or when available, the applicable **Increased Limit of Liability**, or
 - (5) any special limit of liability in this policy.

4. Loss Settlement - Scheduled Farm Personal Property - Coverage E1, Unscheduled Farm Personal Property - Coverage E2, and Farm Buildings and Structures - Coverage F

Loss to scheduled farm personal property, unscheduled farm personal property, and farm buildings and structures, will be settled at actual cash value at the time of loss, subject to the following:

We will pay no more than the smallest of:

- a. **our** cost to replace the property at the time of loss,
 - b. the cost of repair,
 - c. the applicable limit of liability shown on the Declarations page, or
 - d. any special limit of liability stated in this policy.
5. **We** may make a cash settlement and take all or part of the damaged property at its appraised or agreed on value, or repair or replace all or part of the damaged property with property of like kind and quality. **We** must give **you** notice of **our** intention within 30 days after **we** receive **your** proof of loss.

Personal Liability Section - II

This Section, combined with the **General Section**, provides personal liability coverage, as identified on the Declarations page.

This Section includes:

Personal Liability Definitions, Personal Liability - Coverage G, Medical Payments to Others - Coverage H, Additional Coverages, Exclusions, and Personal Liability Conditions.

Personal Liability Definitions

These Definitions are in addition to those shown in the **General Section**.

1. "**Insured person**" means:
 - a. any person or organization legally responsible for animals or watercraft covered by this policy and owned by an **insured person** as defined in the **General Section**. But, **we** will cover that person or organization only with respect to those animals or watercraft. **We** will not cover any person or organization using or having custody of animals or watercraft in the course of any **business** or without permission of the owners;
 - b. with respect to any vehicle covered by this policy, any employee of an **insured person** as defined in the **General Section**, while engaged in the employment of that person; and
 - c. with respect to a vehicle covered by this policy, any other person using the vehicle with **your** permission on an **insured premises**.
2. "**Association**" means the membership of all property owners in a housing development.

Personal Liability - Coverage G

We will pay all sums arising out of an **occurrence** which an **insured person** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** covered by this policy.

If a claim is made or suit is brought against the **insured person** for liability under this coverage, **we** will defend the **insured person** at **our** expense, using lawyers of **our** choice. **We** are not obligated to defend after **we** have paid an amount equal to the limit of **our** liability. **We** may investigate or settle any claim or suit as **we** think appropriate.

Medical Payments To Others - Coverage H

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services, prosthetic devices, eyeglasses, hearing aids and pharmaceuticals, and ambulance, hospital, licensed nursing and funeral services. These expenses must be incurred within three years from the date of an accident causing **bodily injury** covered by this policy.

Each person who sustains **bodily injury** is entitled to this protection when that person is:

1. on an **insured premises** with the permission of an **insured person**; or
2. elsewhere, if the **bodily injury**:
 - a. arises out of a condition in the **insured premises** or the adjoining ways;
 - b. is caused by the activities of an **insured person** or **residence employee** in the course of employment by an **insured person**;

- c. is caused by an animal owned by or in the care of an **insured person**; or
- d. is sustained by a **residence employee** arising out of and in the course of employment by an **insured person**.

We do not cover injury to:

1. **insured persons**; or
2. any other person, except a **residence employee**, who resides regularly on any part of an **insured premises**.

We may pay the injured person or the party that renders the medical services.

Payment under this coverage is not an admission of liability by **us** or an **insured person**.

Additional Coverages

We will pay, in addition to **our** limit of liability:

1. Damage To Property of Others

Up to \$500 per **occurrence** for **property damage** to property owned by others caused by an **insured person**. Payment will be on a replacement cost basis. But, **we** will not pay for **property damage**:

- a. caused intentionally by an **insured person** who has attained the age of 13;
- b. to property owned by or rented to any **insured person**, any tenant of an **insured person** or any resident of **your** household;
- c. arising out of:
 - (1) any act or omission in connection with a premises (other than **insured premises**) owned, rented or controlled by an **insured person**;
 - (2) **business** pursuits; or
 - (3) ownership, maintenance or use of a land motor vehicle, **trailer**, farm machinery or equipment, aircraft or watercraft;
- d. to property insured under the **Property Section** of this policy.

2. The Following Expenses

- a. All costs **we** incur in the settlement of any claim or defense of any suit.
- b. Interest on the entire amount of damages awarded in any suit **we** defend accruing after judgment is entered and before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** limit of liability.
- c. Premiums on bonds required in any suit **we** defend. But, **we** will not pay the premium for any portion of a bond amount that is greater than **our** limit of liability. **We** have no obligation to apply for or furnish bonds.
- d. Loss of earnings up to \$50 a day, but not other income, when **we** ask **you** to help **us** investigate or defend any claim or suit.
- e. Any other reasonable expenses incurred at **our** request.

3. First Aid Expenses

Expenses for immediate medical and surgical treatment for other persons at the time of the accident. **We** will pay only expenses which an **insured person** incurs for treatment of **bodily injury** covered by this policy.

4. Loss Assessment

We will pay up to \$1,000 for **your** share of loss assessment charged against all property owners during the policy period by a corporation or **association**, when assessment is made as a result of:

- a. A direct physical loss to property owned collectively by all members of the **association**, caused by a **Peril We Insure Against** in the **Property Section** of this policy.
- b. **Bodily injury** or **property damage** to which Personal Liability coverage would apply.
- c. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) the director, officer or trustee is elected by the members of a corporation or **association**; and
 - (2) the director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or **association**.

This coverage applies only to loss assessments charged against **you** as owner of the **residence premises**. We do not cover loss assessments charged against **you** or a corporation or **association** of property owners by any governmental body.

Exclusions

Under **Personal Liability - Coverage G** and **Medical Payments To Others - Coverage H**, we do not cover:

1. **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of aircraft;
2. **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of land motor vehicles; The only exceptions to this exclusion "2" are that exclusion "2" does not apply to **bodily injury** or **property damage**, occurring on or off the **insured premises**, and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of:
 - a. land motor vehicles that are not subject to motor vehicle registration, when the **bodily injury** or **property damage** occurs on the **insured premises**.
However, this exception to exclusion "2" does not apply to, and we do not cover, **bodily injury** or **property damage**, occurring on or off the **insured premises**, and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of:
 - (1) all-terrain vehicles (ATV's),
 - (2) utility vehicles (UTV's),
 - (3) recreational off-road vehicles,
 - (4) vehicles with less than 4 wheels, or
 - (5) electric-assisted bicycles;
 - b. crawler and farm type tractors;
 - c. farm implements;
 - d. golf carts while used for golfing; or
 - e. combines or self-propelled harvesting machines, unless the combine or self-propelled harvesting machine is maintained, used, loaded, unloaded or entrusted, for hire or **custom farming** operations;

3. **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of the following while being towed by, connected to or carried on a land motor vehicle other than a crawler or farm type tractor:
 - a. **trailers**, including, but not limited to, utility, stock, boat, camper or house **trailers**;
 - b. crawler or farm type tractors; and
 - c. farm implements;
4. **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of watercraft not located on the **insured premises**:
 - a. owned by an **insured person** if it has inboard or inboard-outdrive motor power;
 - b. rented to an **insured person** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
 - c. owned by or rented to an **insured person** if it is a sailing vessel 26 feet or more in length; and
 - d. powered by one or more outboard motors with more than 25 total horsepower owned by an **insured person** at the inception of this policy. But this subdivision d. does not apply if **you** write **us** within 45 days from the acquisition date that **you** want coverage;
5. **bodily injury** or **property damage** arising out of the rendering or failing to render professional services;
6. **bodily injury** or **property damage** arising out of **business** activities of an **insured person**. But, we will cover activities of that person not ordinarily incident to the **business**;
7. **bodily injury** or **property damage** arising out of any premises owned, rented or controlled by an **insured person** which is not an **insured premises**;
8. **bodily injury** or **property damage** expected or intended by or at the direction of an **insured person**. This exclusion does not apply to **bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property;
9. **bodily injury** or **property damage** arising out of an illegal act by or at the direction of an **insured person**;
10. **bodily injury** or **property damage** arising out of war (declared or undeclared), civil war, insurrection, rebellion or revolution;
11. **bodily injury** or **property damage** which arises out of the transmission of a communicable disease by an **insured person**;
12. **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, biosolids, fertilizer or soil amendments or supplements derived in whole or part from sewage sludge, septage sludge, manure or animal waste, materials generated by wastewater, animal waste, or human waste treatment, or any other irritants, contaminants, or pollutants into or upon land, the atmosphere or any water course or body of water.

But, this exclusion does not apply to **bodily injury** resulting from the accidental above ground contact with herbicides, pesticides, fungicides and fertilizers caused by the application of the same to an **insured premises** which results in medical treatment within one year (365 days) of said application;

13. **bodily injury, property damage**, or medical expenses arising out of or resulting from any actual, alleged or threatened sexual molestation, act, abuse, harassment, including any failure to supervise or negligent supervision of any person.

We have no duty to defend or settle any sexual molestation claim or suit against an **insured person** or any employee of an **insured person**, or any other person;

14. claims or suits, and any included defense costs, seeking damages against any **insured person** for personal injury. Personal injury means any injury resulting from:
 - a. false arrest, imprisonment, malicious prosecution and detention;
 - b. wrongful eviction, wrongful entry, invasion of rights of privacy; or
 - c. libel, slander, defamation of character.

We have no duty to defend or settle any personal injury claim or suit against an **insured person** or any employee of an **insured person**, or any other person;

15. **bodily injury** to a **farm employee** arising out of and in the course of employment by an **insured person**;
16. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a dwelling owned but not occupied by an **insured person**, unless described on the Declarations Page;
17. **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from **fungus**, wet rot or dry rot;
18. liability imposed upon any **insured person** by any governmental authority for any loss which, in whole or in part, arises out of, is aggravated by or results from **fungus**, wet rot or dry rot;
19. **bodily injury** or **property damage** arising out of **custom farming** operations, unless a premium is specified and charged on the Declarations Page. **We** will pay no more than the limit of liability shown on the Declarations page for the specified number of **days** of **custom farming** coverage; or
20. **bodily injury** or **property damage** arising out of the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of **cannabis**.

Under **Personal Liability - Coverage G**, we do not cover:

1. liability assumed under any unwritten contract or agreement, or under a contract or agreement in connection with any **business** of an **insured person**;
2. **property damage** to property owned by an **insured person** or an employee of an **insured person**;
3. **property damage** to property occupied or used by an **insured person** or rented to or in the care of an **insured person**. But, **we** will cover **property damage** to such property caused by fire, smoke or explosion, provided the **insured person** is held legally obligated to pay the damage;

4. **bodily injury** to a person if an **insured person** has or is required to have a policy providing workers' compensation, non-occupational disability or occupational disease benefits covering the **bodily injury**;

5. **bodily injury** for which any Workers' Compensation Court orders an **insured person** to pay any sum or other benefit awarded.

If a claim is made or suit brought in Workers' Compensation Court against an **insured person** who does not have and is not required to have a policy providing Workers' Compensation benefits covering the **bodily injury**, **we** will defend the **insured person** against the claim brought in Workers' Compensation Court, at **our** expense, using lawyers of **our** choice;

6. **bodily injury** or **property damage** when an **insured person** is covered under a nuclear energy liability policy. This exclusion applies even if the limits of liability of that policy have been exhausted;
7. **bodily injury** or **property damage** awards against an **insured person** in the form of exemplary or punitive damages;
8. **bodily injury** to:
 - a. **you**;
 - b. **your** relatives residing in **your** household; or
 - c. any other person under the age of 21 residing in **your** household who is in **your** care or the care of a resident relative;
9. **property damage** to and loss of use of:
 - a. goods or products (including containers), grown, raised, manufactured, sold, handled or distributed by an **insured person** when the **property damage** arises out of such products;
 - b. property caused by work performed by or for an **insured person** when the **property damage** arises out of such work;
 - c. property due to an **insured person's** delay or lack of performance under any agreement or contract; or
 - d. property due to the failure of an **insured person's** work, goods or products to meet the level of quality warranted or represented by the **insured person**; or
10. **bodily injury** or **property damage** resulting from a substance released or discharged from aircraft.

Under **Medical Payments To Others - Coverage H**, we do not cover:

1. **bodily injury** to a person who is entitled to benefits which are provided or required to be provided under any workers' compensation, non-occupational disability or occupational disease law;
2. **bodily injury** from any nuclear reaction, radiation or radioactive contamination or any consequence of any of these;
3. **bodily injury** to any person while on the **insured premises** because a **business** is conducted or professional services are rendered on the **insured premises**;

4. **bodily injury** sustained by an independent contractor or such contractor's employees; or
5. **bodily injury** to any person, if such person is regularly residing on an **insured premises**.

Farm Liability Section - III

Farm Employers' Liability - Coverage J

We will pay all sums arising out of an **occurrence** which an **insured person** becomes legally obligated to pay as compensatory damages to a **farm employee**, while in the course of his or her employment, because of **bodily injury** arising out of the ownership, maintenance or use (including necessary or incidental operations) of the **insured premises**. **We** will not pay any sums which **you** may become legally obligated to pay as exemplary or punitive damages.

Under **Farm Employers' Liability - Coverage J**, **we** will pay no more than the limit of liability shown on the Declarations page for the number of **days of regular hired labor** or **custom hired labor** coverage.

If a claim is made or suit is brought against an **insured person** for liability under this coverage, **we** will defend the **insured person** at **our** expense, using lawyers of **our** choice. **We** are not obligated to defend after **we** have paid an amount equal to the limit of **our** liability. **We** may investigate or settle any claim or suit as **we** think appropriate.

Farm Employees' Medical Payments - Coverage K

We will pay to or for each **farm employee**, all reasonable medical expenses incurred because of **bodily injury** caused by an accident and arising out of the ownership, maintenance or use (including necessary or incidental operations) of **insured premises**, providing such **bodily injury** was incurred in the course of his or her employment by an **insured person**. These expenses must have been incurred within one year from the date of accident, and **we** will pay no more than the limit shown on the Declarations Page.

Medical Payments (Named Insured and Family) - Coverage M

We will pay the reasonable expense of necessary medical, surgical, ambulance, hospital, professional nursing and funeral services all incurred within one year from the date of accident, up to the limit of liability, to or for such person named on the Declarations Page, who sustains **bodily injury** caused by accident, while on **insured premises** or while elsewhere, if accident arises out of the **insured premises** or a condition in the ways immediately adjoining, or out of the operations, maintenance, repair or use of teams, tractors, combines, or self-propelled harvesting machines, farm implements, or animals, in connection with the operations of such **insured premises** and including **custom farming** operations.

The payment of this medical expense applies only to that amount in excess of \$50 per accident for each **insured person**.

Animal Collision - Coverage N

We will pay for loss by death of any cattle, horse or hybrid thereof, hog, sheep, or goat, owned by an **insured person** caused by collision between such animal and a vehicle not owned or operated by an **insured person** or any employee thereof. This coverage applies only while such animal is on a public road and is not being transported.

The insurance afforded shall be limited to the market value at the time of loss not exceeding the maximum amount shown on the Declarations page per animal.

The coverage afforded shall apply only during the policy period.

Exclusions

Under **Farm Employers' Liability - Coverage J**, and **Farm Employees' Medical Payments - Coverage K**, **we** do not cover:

1. **bodily injury** sustained by any **farm employee** and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of aircraft;
2. **bodily injury** sustained by any **farm employee** and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of land motor vehicles.
The only exceptions to this exclusion "2" are that exclusion "2" does not apply to **bodily injury** occurring on or off the **insured premises**, and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of:
 - a. land motor vehicles that are not subject to motor vehicle registration, when the **bodily injury** occurs on the **insured premises**.
However, this exception to exclusion "2" does not apply to, and **we** do not cover, **bodily injury** occurring on or off the **insured premises**, and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of:
 - (1) all-terrain vehicles (ATV's),
 - (2) utility vehicles (UTV's),
 - (3) recreational off-road vehicles,
 - (4) vehicles with less than 4 wheels, or
 - (5) electric-assisted bicycles;
 - b. crawler and farm type tractors;
 - c. farm implements; or
 - d. combines or self-propelled harvesting machines, unless the combine or self-propelled harvesting machine is maintained, used, loaded, unloaded or entrusted, for hire or **custom farming** operations;
3. **bodily injury** sustained by any **farm employee** and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of the following while being towed by, connected to or carried on a land motor vehicle other than a crawler or farm type tractor:
 - a. **trailers**, including, but not limited to, utility, stock, boat, camper or house **trailers**;
 - b. crawler or farm type tractors; and
 - c. farm implements;
4. **bodily injury** sustained by any **farm employee** and arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of watercraft;
5. **bodily injury** to any **farm employee** who is entitled to benefits which are provided or required to be provided under any workers' compensation, non-occupational disability or occupational disease law;

6. **bodily injury** for which any Workers' Compensation Court orders an **insured person** to pay any sum or other benefit awarded.

If a claim is made or suit brought in Workers' Compensation Court against an **insured person** who does not have and is not required to have a policy providing Workers' Compensation benefits covering the **bodily injury**, we will defend the **insured person** against the claim brought in Workers' Compensation Court, at **our** expense, using lawyers of **our** choice;

7. **bodily injury**
 - a. suffered by an employee who is not engaged in the actual performance of his or her duties, as an employee; or
 - b. suffered by the **insured person's** spouse, son, daughter, or other relative, or a tenant and immediate members of tenant's family while residing on the **insured premises**, unless he or she is a **farm employee** and is listed on the **insured person's** payroll records on the date of injury; or
8. **bodily injury** sustained by any **farm employee** arising out of the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of **cannabis**.

Under **Farm Employers' Liability - Coverage J**, we do not cover:

1. liability assumed by the **insured person** under any contract or agreement;
2. sickness or disease of any **farm employee** unless, prior to thirty-six months after the end of the policy period, written claim is made or suit is brought against the **insured person** for damages because of sickness or disease or death resulting there from; or
3. **bodily injury** or **property damage** with respect to which any **insured person** under this policy is also an **insured person** under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriter, or Nuclear Insurance Association of Canada, or would be an **insured person** under any such policy but for its termination upon exhaustion of its limit of liability.

Under **Medical Payments (Named Insured and Family) - Coverage M**, we do not cover:

1. **bodily injury** arising out of the ownership, maintenance, use, loading, unloading or negligent entrustment of motor vehicles subject to motor vehicle registration, all-terrain vehicles (ATV's), utility vehicles (UTV's), recreational off-road vehicles, or vehicles with less than 4 wheels; or
2. **bodily injury** arising out of the inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of **cannabis**.

Personal & Farm Liability Conditions

These Conditions are in addition to those shown in the **General Section**.

1. Duties of an Injured Person

Medical Payments To Others Coverage - Coverage H

The injured person or someone acting on behalf of the injured person will:

- a. give **us**, as soon as possible, written proof of claim under oath, if possible;
- b. submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require; and
- c. authorize **us** to obtain medical and other records.

2. Limits of Liability

Regardless of the number of **insured persons**, injured persons, claims made or suits brought, **our** liability is limited as follows:

- a. As respects **Personal Liability - Coverage G**, the limit of liability stated on the Declarations page is the total limit of **our** liability for all damages resulting from any one **occurrence**.
- b. As respects **Medical Payments To Others - Coverage H**, the limit of liability stated on the Declarations page as applicable to "each person" is **our** limit of liability for all medical expenses for **bodily injury** to any one person as the result of any one accident. Subject to the limit for "each person", **our** limit for **bodily injury** to two or more persons in any one accident shall not exceed the limit of liability stated on the Declarations page as applicable to "each accident".

3. Severability of Insurance

This insurance applies separately to each **insured person** against whom claim is made or suit is brought, subject to **our** limits of liability for each **occurrence**.

4. Suit Against Us

We may not be sued under the **Personal Liability - Coverage G** until the obligation of an **insured person** to pay is finally determined either by judgment against the person after actual trial or by written agreement of the person, the claimant and **us**. No one shall have any right to make **us** a party to a suit to determine the liability of an **insured person**.

5. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any **insured person**.

6. Other Insurance - Personal and Farm Liability

The insurance for **Personal Liability - Coverage G**, **Medical Payments to Others - Coverage H**, **Farm Employers' Liability - Coverage J**, and **Farm Employees' Medical Payments - Coverage K** is excess over any other valid and collectible insurance. However, if the other insurance is specifically written as excess insurance over this policy, the limits of this policy apply first.

Mutual Conditions

1. Mutuality of Policy

By accepting this policy, **you** become a member of the Oklahoma Farm Bureau Mutual Insurance Company with all the rights and privileges of a member as provided in the Company By-laws in force at the time this policy takes effect, or that may become in force during the continuance of this policy. This will entitle **you** to vote **your** membership at any annual or regularly called special meeting either in person or by proxy executed on the application for this policy.

2. No Contingent Liability

This policy is nonassessable.

3. Participation In Savings and Earnings

This policy is on the mutual or participating plan, and **you**, during the continuance of this policy, will be entitled to participate in this Company's savings and earnings as the Board of Directors may determine, in accordance with applicable law, to distribute to the policyholders of **your** class or division.

Acceptance Of Policy

By acceptance of this policy, **you** agree that the statements in the applications and the Declarations Page are **your** agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy, as it relates to this insurance, embodies all agreements existing between yourself and **us** or any of **our** agents.

This policy is signed on the Declarations Page by a duly authorized representative of the Oklahoma Farm Bureau Mutual Insurance Company in Oklahoma City, Oklahoma.